

SPECIAL MEETING

Oversight Board Meeting
for the
Successor Agency
to the
Redevelopment Agency of the City of San Bernardino

AGENDA

Friday, February 28, 2014 – 1:00 p.m.
Economic Development Agency Board Room
201 North "E" Street, Suite 301, San Bernardino, CA 92401
(909) 663-2279

The Oversight Board recognizes its obligation to provide equal access to those individuals with disabilities. Please contact us at (909) 663-2279 prior to the meeting for any requests for reasonable accommodation that includes interpreters.

CHAIRMAN CALLS MEETING TO ORDER

1. CALL TO ORDER

Jim Morris, City of San Bernardino, Mayor Appointee
Doug Headrick, San Bernardino Valley Municipal Water District, Largest Special District Appointee
Jeff Smith, Representing Former RDA Employees, Mayor Appointee
Mary O'Toole, County of San Bernardino Board of Supervisors Appointee
Gloria Macias-Harrison, County of San Bernardino Member of the Public Appointee
John Longville, Chancellor of the California Community Colleges Appointee
Margaret Hill, County Superintendent of Education Appointee

2. PUBLIC COMMENTS: A three-minute limitation shall apply to each member of the public who wishes to address the Oversight Board with a matter within the jurisdiction of the Oversight Board, whether or not on the agenda. No member of the public shall be permitted to "share" his/her three minutes with any other member of the public. (Usually, any items heard under this heading are referred to Staff for further study, research, completion and/or future Oversight Board action).

3. MINUTES

Approval of the Action Minutes for the December 9, 2013 Meeting of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino as submitted in typewritten form.

Oversight Board Meeting
for the
Successor Agency
to the
Redevelopment Agency of the City of San Bernardino

4. APPOINTMENT OF COLANTUONO & LEVIN, PC AS SPECIAL COUNSEL FOR OVERSIGHT BOARD MATTERS

SBOB 2014-01

Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino confirming its request for the appointment of Colantuono & Levin, PC as Special Counsel for Oversight Board matters.

5. RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15A (JULY THROUGH DECEMBER 2014)

SBOB 2014-02

Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino approving the establishment of the Recognized Obligation Payment Schedule 14-15A for the period of July through December 2014

6. DISCUSSION – DEPARTMENT OF FINANCE LETTER OF DECEMBER 17, 2013

7. UPCOMING OVERSIGHT BOARD ITEMS/PENDING REQUIREMENTS (NO BACK-UP):

- Long-Range Property Management Plan (Due to DOF within 6 months of receipt of a Finding of Completion for both DDRs;
- Agency Budget/Cash Flow Analysis; and
- Successor Agency Transfer of Tangible Personal Property of the Former Redevelopment Agency to the City of San Bernardino (Continued from December 9, 2013 meeting)

8. ADJOURNMENT

The next meeting is to be scheduled at a later date as determined, at 11:00 a.m., in the Economic Development Agency Board Room at 201 North "E" Street, Suite 301, San Bernardino.

ACTION MINUTES

OVERSIGHT BOARD
for the
City of San Bernardino as Successor Agency
to the
Redevelopment Agency of the City of San Bernardino

REGULAR MEETING
DECEMBER 9, 2013
BOARD ROOM

The Regular Meeting of the Oversight Board was called to order by Board Member Morris at 11:06 a.m., Monday, December 9, 2013, in the Economic Development Agency Board Room, 201 North "E" Street, Suite 301, San Bernardino, California.

1. ROLL CALL

Roll call was taken by Secretary Connor with the following being present: Board Members Morris, Smith, O'Toole, Headrick and Hill; City Manager Parker; Deputy Housing Director Mims; Community Relations Supervisor Kramer; Housing and Community Development Consultant Hull; and Housing and Community Development Consultant Wyche.

Absent: Board Members Macias-Harrison and Longville.

Also in Attendance: Kathleen Robles, Project Manager, Urban Futures, Inc.; Steven Dukett, Managing Principal, Urban Futures, Inc., and Barbara Lindseth, Financial Consultant, Urban Futures, Inc.

2. PUBLIC COMMENTS

There were no public comments.

3. APPROVAL OF MINUTES OF SEPTEMBER 30, 2013

Board Member O'Toole addressed the Board recommending that the minutes and the agenda be amended to reflect the Board Members' appointed titles and Board Member Headrick made a motion, seconded by Board Member Smith that the minutes for the Oversight Board for the City of San Bernardino as Successor Agency to the Redevelopment Agency of the City of San Bernardino meeting of September 30, 2013 be approved as submitted in typewritten form as amended.

The motion carried unanimously 5-0; Absent: Macias-Harrison and Longville

BOARD MEMBER LONGVILLE ARRIVED AT 11:11 AM

4. SUCCESSOR AGENCY TRANSFER OF TANGIBLE PERSONAL PROPERTY OF THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO

SBOB/2013-5

A Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the city of San Bernardino authorizing and directing the Successor Agency to transfer all of the tangible personal property of the former Redevelopment Agency to the City of San Bernardino for either use by the City or for disposal

No action taken. Item to be continued.

CITY MANAGER PARKER AND DEPUTY HOUSING DIRECTOR MIMS LEFT THE MEETING AT 11:29 AM

5. DISCUSSION – STATUS OF REAL ESTATE TRANSFERS FROM SBEDC

- 1) Real Estate transfer SBEDC to Successor Agency or City
- 2) ROPS 13 & 14B
- 3) Threat to withhold 15M on Low-Mod due diligence review

No formal action taken.

COMMUNITY RELATIONS SUPERVISOR KRAMER LEFT THE MEETING AT 11:58 AM

BOARD MEMBER LONGVILLE LEFT THE MEETING AT 12:13 PM

6. UPCOMING OVERSIGHT BOARD ITEMS/PENDING REQUIREMENTS (NO BACK-UP):

- Long-Range Property Management Plan (Due to DOF within 6 months of receipt of a Finding of Completion for both DDRs;
- Agency Budget/Cash Flow Analysis; and
- Supplemental Legal Services.

BOARD MEMBER HILL LEFT THE MEETING AT 1:20 PM

7. ADJOURNMENT

At 1:21 p.m., the regular meeting adjourned. The next regular meeting of the Oversight Board will take place on Monday, January 13, 2014 at 11:00 a.m. in the Economic Development Agency Board Room, 201 North E Street, Suite 301, San Bernardino, California.

By: _____
Lisa Connor, Secretary

**OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO**

Meeting Date: February 28, 2014

To: Oversight Board Members

From: Lisa Connor, Oversight Board Secretary

Subject: Appointment of Colantuono & Levin, PC as Special Counsel for Oversight Board Matters

RECOMMENDATION: Adopt the attached resolution confirming the Oversight Board's request for the appointment of Colantuono & Levin, PC as special counsel for Oversight Board matters.

BACKGROUND: The Redevelopment Agency of the City of San Bernardino was dissolved February 1, 2012. The Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino ("Oversight Board") has been established pursuant to Health and Safety Code ("HSC") § 34179 to assist in the wind-down of the dissolved redevelopment agency.

The HSC permits the appointment of special counsel for oversight board matters. Based on this, the Oversight Board has recommended the appointment of Colantuono & Levin, PC as special counsel for Oversight Board matters, consistent with their proposal dated January 3, 2014, which is included as Exhibit "A" to the attached Resolution.

FISCAL IMPACT: On February 3, 2014, the Successor Agency to the Redevelopment Agency of the City of San Bernardino ("Successor Agency") approved its plan for use of Redevelopment Property Tax Trust Fund ("RPTTF") and non-RPTTF revenue for use during the period of Recognized Obligation Payment Schedule ("ROPS") 13-14B (i.e., January through June 2014). The Successor Agency's approved plan for use of RPTTF and non-RPTTF revenue during the period of ROPS 13-14B includes funding for special counsel services for Oversight Board matters.

ATTACHMENTS: Resolution.

RESOLUTION NO. SBOB/2014-01

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO CONFIRMING ITS REQUEST FOR THE APPOINTMENT OF COLANTUONO & LEVIN, PC AS SPECIAL COUNSEL FOR OVERSIGHT BOARD MATTERS

WHEREAS, the Redevelopment Agency of the City of San Bernardino was dissolved February 1, 2012; and

WHEREAS, the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino (“Oversight Board”) has been established pursuant to Health and Safety Code (“HSC”) § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, the HSC permits the appointment of special counsel for oversight board matters; and

WHEREAS, the Oversight Board has recommended the appointment of Colantuono & Levin, PC as special counsel for Oversight Board matters, consistent with their proposal dated January 3, 2014, which is attached hereto as Exhibit “A”; and

WHEREAS, on February 3, 2014, the Successor Agency to the Redevelopment Agency of the City of San Bernardino (“Successor Agency”) approved its plan for use of Redevelopment Property Tax Trust Fund (“RPTTF”) and non-RPTTF revenue for use during the period of Recognized Obligation Payment Schedule (“ROPS”) 13-14B (i.e., January through June 2014); and

WHEREAS, the Successor Agency’s approved plan for use of RPTTF and non-RPTTF revenue during the period of ROPS 13-14B includes funding for special counsel services for Oversight Board matters; and

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

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino, as follows:

Section 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution confirms the Oversight Board’s request that the Successor Agency appoint Colantuono & Levin, PC as special counsel for Oversight Board matters.

Section 3. The City Manager, or designee, is authorized to take any necessary steps to formalize the appointment of Colantuono & Levin, PC as special counsel for Oversight Board matters.

Section 4. This Resolution shall take effect upon the date of its adoption

1 RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO
2 THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO
3 CONFIRMING ITS REQUEST FOR THE APPOINTMENT OF COLANTUONO & LEVIN,
4 PC AS SPECIAL COUNSEL FOR OVERSIGHT BOARD MATTERS

5 PASSED, APPROVED AND ADOPTED THIS ___ day of _____, 2014,
6 by the following vote:

7 Board Members	Ayes	Nays	Abstain	Absent
8 HEADRICK	_____	_____	_____	_____
9 HILL	_____	_____	_____	_____
10 LONGVILLE	_____	_____	_____	_____
11 MACIAS-HARRISON	_____	_____	_____	_____
12 MORRIS	_____	_____	_____	_____
13 O'TOOLE	_____	_____	_____	_____
14 SMITH	_____	_____	_____	_____

15 _____
16 Secretary

17 The foregoing Resolution is hereby approved this _____ day of _____, 2014.

18 _____
19 James P. Morris, Chairman
20 Oversight Board for the City of San Bernardino
21 As Successor Agency to the Redevelopment
22 Agency of the City of San Bernardino
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EXHIBIT "A"

**COLANTUONO & LEVIN, PC
PROPOSAL FOR SPECIAL COUNSEL SERVICES FOR
OVERSIGHT BOARD MATTERS**

(See Attachment)

Teresa L. Highsmith
THighsmith@CLLAW.US
(213) 542-5703

*Received by
Majors
01/23/14*

Colantuono & Levin, PC
300 S. Grand Avenue, Suite 2700
Los Angeles, CA 90071-3137
Main: (213) 542-5700
FAX: (213) 542-5710
WWW.CLLAW.US
SANDRA J. LEVIN, OF COUNSEL

FACSIMILE TRANSMISSION

DATE: January 3, 2014

PAGES (incl. cover sheet): 19

RECIPIENT	COMPANY	PHONE	FAX NO.
Allen J. Parker, City Manager	City of San Bernardino		909-384-5138

FROM : Teresa L. Highsmith, Esq.

REFERENCE :

FILE NO. :

COMMENTS : Please find attached our proposal.

Thank you

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IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE PHONE (213) 542-5700 AS SOON AS POSSIBLE.

4

Teresa L. Highsmith
THighsmith@CLLAW.US
(213) 542-5703

Colantuono & Levin, PC
300 So. Grand Avenue, Ste. 2700
Los Angeles, CA 90071-3137
Main: (213) 542-5700
FAX: (213) 542-5710
WWW.CLLAW.US
SANDRA J. LEVIN, OF COUNSEL

January 3, 2014

VIA EMAIL AND FACSIMILE: (909) 384-5138

Oversight Board to the Successor Agency
to the Redevelopment Agency of the
City of San Bernardino
c/o City Manager's Office
300 No. "D" Street
San Bernardino, CA 92418
ATTN: Allen J. Parker, City Manager

Re: **Proposal to Provide General Counsel Services to Oversight Board to San Bernardino RDA Successor Agency**

Dear Mr. Parker:

I write to propose our firm's services as General Counsel to the Oversight Board to the San Bernardino RDA Successor Agency, by invitation from Oversight Board Vice-Chair Hedrick. I enclose my resume as proposed General Counsel, the resumes of Scott Howard and Matthew Summers, who we propose as Assistant General Counsel to the Oversight Board, as needed, and three client references. Additional information about our firm, including a firm profile and bios of all our attorneys, appears on our web site at: <http://www.cllaw.us>.

Rates: Although our standard hourly rates range from \$175 to \$425 per hour for attorneys and from \$110 to \$145 per hour for paralegals, we will agree to provide general services to the Oversight Board at a blended hourly rate for the services of any of our attorneys of \$225. We understand that you anticipate a need for General Counsel to attend Oversight Board meetings when scheduled and provide general legal advice to the members of the Oversight Board, which we would anticipate would normally require fewer than 10 hours per month. We would split the cost of travel time to and from meetings with you, so that you would be billed for 50% of the actual travel time, which should come to approximately one hour for each meeting. Should you desire it, we can also provide a "not to exceed" alternative compensation structure, wherein we propose a combination of \$225/hour with a "not to exceed" cap of \$2,050/month for all legal services, except litigation. For litigation services, we are willing to cap our standard rates at \$325 per hour.

Allen J. Parker, City Manager
January 3, 2014
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Experience: Colantuono & Levin, PC is a municipal law firm with offices in Los Angeles and outside Grass Valley in the Sierra Foothills and one of California's leading advisors to cities, counties and special districts. We represent public clients throughout California in all aspects of municipal law, including redevelopment and its dissolution process, the Brown Act, election law, conflicts of interest law, matters arising under the Public Records Act, public financing and revenues, housing, the California Environmental Quality Act, land use, and associated litigation. The firm prides itself on its extensive public law experience, its commitment to problem-solving, and a focus on ethical, affirmative and intelligent advice and representation. Our core commitment is to provide advice our clients find both helpful and understandable.

Team: I propose to serve as General Counsel to the Oversight Board to the San Bernardino RDA Successor Agency, with assistance, as needed from Scott Howard and Matt Summers. I have extensive experience in advising public agency clients regarding compliance with the Brown Act, Political Reform Act, Public Records Act, and Community Redevelopment Law; I am well versed in the interpretation and application of the dissolution process set forth in AB 1X 26 and AB 1484 ("the Legislation"), regarding the obligations and authority of both Successor Agencies and Oversight Boards, and I keep up to date on the developments in the interpretation and implementation of the Legislation and any further proposed amendments. I presently advise several Successor Agencies regarding the dissolution process, and have prepared agendas, staff reports, Conflict of Interest Codes and orientations for their initial Oversight Board meetings; I serve as General Counsel to the:

- Oversight Board to the Huntington Park CRC Successor Agency;
- Oversight Board to the Pomona RDA Successor Agency;
- Oversight Board to the Rialto RDA Successor Agency;
- Oversight Board to the San Gabriel CRA Successor Agency; and
- Oversight Board to the Temple City RDA Successor Agency.

The firm also provides special counsel services to counties and has represented a variety of special districts as general and special counsel. All these experiences will be helpful in our advice to the Oversight Board, which has approval authority over various actions of the San Bernardino RDA Successor Agency during the wind-down process and serves to protect the interests of the county, schools, and special districts in the winding down of Agency activity.

Scope of Services: Regarding the scope of services you anticipate needing, I am able to advise the Oversight Board on the specific Successor Agency actions that require prior Oversight Board approval or Oversight Board direction pursuant to both AB 1X 26 and AB 1484, including:

- any proposed amendments to existing contracts to facilitate the completion of redevelopment projects and disposition of property;

- whether the various line items on Recognized Obligation Payment Schedules (ROPS) are "enforceable obligations" such that the ROPS may be approved by the Oversight Board;
- representing the Oversight Board regarding any inquiries on any Oversight Board action from the Department of Finance or other state agency;
- advising on financing matters requested by a Successor Agency (such as requests to approve refinancing bonds or amending a Disposition and Development Agreement);
- advice regarding the authority of the Oversight Board to order the termination of existing contracts (should the Oversight Board determine that such termination is in the best interest of the taxing entities);
- advice on whether real properties held by the Successor Agency are required to be sold, pursuant to the Oversight Board's authority under Health & Safety Code Section 34181 or pending Oversight Board approval of the long-range property management plan requirements of Health & Safety Code Section 34191.3 (AB 1484);
- advice on post-finding of completion actions, including restatements of RDA/City loan agreements, expenditure of existing bond funds and approval and implementation of a long range property management plan;
- advice on the Oversight Board's legal authority under both AB 1X 26 and AB 1484, and any future amendments.

The Legislation provides that Oversight Board members are protected by the immunities applicable to all public entities and public employees, as set forth in Government Code 810 eq. seq. In the event that the Oversight Board should become a party to litigation, the firm of Colantuono & Levin has a proven litigation track record and can provide you with litigation legal services.

We would be very pleased to represent the Oversight Board. Thank you for the opportunity to propose our services. Please let me know if additional references or any other information would be helpful.

Very truly yours,



Teresa L. Highsmith

TLH:tlh
Enclosures (2): Highsmith, Howard & Summers Resumes
References

TERESA L. HIGHSMITH, ESQ.

EMPLOYMENT

2011-present **Senior Counsel, Colantuono & Levin, PC**
300 So. Grand Avenue, Ste. 2700
Los Angeles, CA 90071-3137
Telephone: (213) 542-5703, Facsimile: (213) 542-5710
Cell: (213) 399-9292; Email: THighsmith@CLLAW.US

City Attorney of Barstow and Sierra Madre; General Counsel of the Barstow and Sierra Madre Successor Agencies to former Redevelopment Agencies; General Counsel of the Southeast Los Angeles Consortium (SELACO) Workforce Investment Board and Policy Board; General Counsel to Oversight Boards for Huntington Park, Pomona, Rialto, San Gabriel and Temple City; General Counsel to Orangeline Development Corporation

2006-2011 **City Attorney of Alameda**; General Counsel to Community Improvement Commission (Alameda Redevelopment Authority), Alameda Reuse and Redevelopment Authority (local reuse authority for former Naval Air Station, Alameda) and Housing Authority of City of Alameda.

1997-2006 **Assistant City Attorney of Alameda**; Assistant General Counsel to Community Improvement Commission, Alameda Reuse and Redevelopment Authority and Housing Authority of City of Alameda; Acting City Attorney during absences of City Attorney.

The Alameda City Attorney's Office consisted of four full time attorneys (City Attorney, two Assistants and one Deputy) and two full-time support staff, with an annual budget of \$984,490. Additionally, both the Risk Management and Workers Compensation Divisions, which consisted of two professional staff and two full-time support staff, were under the supervision of the City Attorney, with budgets of \$2,702,080 (includes reserves) and \$2,876,570 (includes reserves), respectively. All nine professional and support staff positions reported directly to the City Attorney. The City of Alameda had 12 City Departments, all of which received legal services from the City Attorney's Office. The City of Alameda had a population of approximately 75,000 and an annual operating budget of approximately \$199,458,000.

TERESA L. HIGHSMITH, ESQ.

Resume

Page 2

EMPLOYMENT (Continued)

1992-1997 **Assistant City Attorney** to cities of Orinda, Lafayette and Bethel Island Municipal Improvement District; Special Counsel at various times to cities of Fremont and Livermore, through Law Offices of Charles J. Williams (as a contract attorney)

Provided general municipal legal advice to cities of Orinda, Lafayette and Bethel Island, including litigation support; litigation support for cities of Fremont and Livermore.

1991-1992 **Deputy City Attorney** to cities of Orinda, Lafayette, Moraga and Pittsburg, employed by the Law Offices of Charles J. Williams

Provided general municipal legal advice to cities of Orinda, Lafayette Moraga and Pittsburg, including litigation support and code enforcement.

LEGAL QUALIFICATIONS AND EXPERIENCE

General Services – Representing City Councils, Successor Agencies to Redevelopment Agencies, Local Reuse Authorities, Oversight Boards, Housing Authorities and other public agencies at regular and special meetings; providing written and oral legal opinions and research on local government issues, zoning, land use, redevelopment, Housing Authority (state and federal requirements) and affordable housing, labor and employment issues, public bidding requirements, California Environment Quality Act, Subdivision Map Act, Brown Act, Public Records Act, Conflict of Interest and code enforcement; Direct legal assistance on award winning redevelopment projects: *Historic Alameda Theatre Rehabilitation Project*, CRA Award of Excellence 2009; *Bridgeside Shopping Center Project*, CRA Award of Excellence 2008.

Contracts – Drafting and negotiating lease, loan and real property agreements; redevelopment agreements (Disposition and Development Agreements, Owner Participation Agreements, Pre-development Agreements); public works contracts; various land use agreements; various consultant agreements; labor and employment contracts and MOU's,

Ordinances – Drafting city land use, zoning and health and safety ordinances, resolutions and policies.

TERESA L. HIGHSMITH, ESQ.

Resume

Page 3

LEGAL QUALIFICATIONS AND EXPERIENCE (Continued)

Litigation – Actively involved in litigation at both trial and appellate levels on a variety of issues and claims, including mandate actions challenging legislative and administrative acts, land use, personnel, Public Records Act, redevelopment, public works and construction contracts, and constitutional claims. Published cases: Suter v. City of Layette (1997) 57 CA4th 1109; City of Livermore v. PG&E (1997) 51 CA4th 1410; City of Lafayette v. East Bay Municipal Utility District (1993) 16 CA4th 1005.

Admitted to Bar, 1991 California, U.S. District Court, Northern District of California and U.S. District Court of Appeals, Ninth Circuit; Member of American Bar Association, State Bar of California

EDUCATION

1991	J.D., with honors, John F. Kennedy University <i>Editor</i> , John F. Kennedy University Law Review 1989-1991
1977	B.A., with honors, University of Nevada, Reno

PERSONAL

Married; 3 children; Enjoys reading, gardening, aquarium and pond keeping, dog training, art, music and literature

References for Teresa L. Highsmith

Curt Mitchell, City Manager
Oliver Chi, Assistant to the City Manager
City of Barstow
Telephone: 760-255-5101/5102
cmithcell@barstowca.org
ochi@barstowca.org

Mayor Julie Hackbarth-McIntyre
City of Barstow
(760) 964-6178 (mobile)
jmcintyre@barstowca.org

Elaine Aguilar, City Manager
City of Sierra Madre
Telephone: 626-355-2917
eaguilar@cityofsierramadre.com

Carrie Sutkin, Chair
Oversight Board to Pomona RDA Successor Agency
(323) 868-5383
carriesutkin@att.net

SCOTT H. HOWARD

1267 Norwich Lane, Ventura, California 93001

(818) 618-8877 ~ (805) 653-0844

SUMMARY OF EXPERIENCE:

Over thirty-four (34) years of experience with the City of Glendale City Attorney's Office, performing professional legal work, including supervision and prosecution of all Municipal Code violations; research, drafting, trials and hearings in all phases of civil and administrative proceedings, including eminent domain; advise and consult with City Departments, Commissions, City Council, Housing Authority and Redevelopment Agency on a wide variety of municipal issues; draft, review and approve contracts, resolutions and ordinances, provide training to elected and appointed officials on various subjects including AB 1234 ethics.

WORK HISTORY:

Jan. 2012 to Present: Of Counsel Colantuono & Levin. Provide city attorney advisory services to City of Calabasas

1990 – Sept 2011: City Attorney, City of Glendale, California

Supervise and direct the Legal Department. The Department consists of fourteen lawyers, one paralegal, and six secretaries, and has an annual budget of \$4 million dollars. The office provides a full range of legal services to City governmental departments including advice, litigation, code enforcement, drafting and approval of all ordinances, resolutions and contracts. Responsibilities include: advising all Municipal Commissions, the City Council, Housing Authority, Redevelopment Agency, and Department Heads regarding all issues of concern to a large municipality including, but not limited to, issues involving the Brown Act, conflicts of interest, environmental laws, land use, law enforcement, public service, and waste management. Research and prepare contracts, opinions, resolutions and ordinances for City Council consideration. Provide training on various subjects.

1981-1990: Senior Assistant City Attorney, City of Glendale, California

Supervise and direct the prosecution of all Municipal Code violations. Handle a wide variety of civil litigation in both State and Federal Courts, including eminent domain, tort actions, civil rights, land use, and employee-related litigation for the third largest city in Los Angeles County. Appear before the Court of Appeals on a number of occasions. Represent the City in administrative proceedings.

1979-1981: Assistant City Attorney, City of Glendale, California

Supervise the prosecution of all Municipal Code violations. Handle a variety of civil litigation in both Municipal and Superior Courts. Advise and render opinions to Department Heads, Commissions and City Council. Research and draft opinions, contracts and ordinances.

1977-1979: Deputy City Attorney, City of Glendale, California

Prosecute against Municipal Code violations. Defend the City in a variety of civil litigation matters. Research and draft legal opinions. Advise Department Heads. Draft and approve contracts and ordinances.

1975 - 1977: Legal Intern, Los Angeles District Attorney

Research and draft motions and oppositions thereto in criminal matters. Engage in jury and court trials of misdemeanor cases.

EDUCATION:

- | | |
|----------------|---|
| 2006 | Completed Josephson Institute of Ethics - Living up to the Public Trust |
| 1989 | Graduate, F.B.I. National Law Institute, 7th Session
(50 attorneys chosen nationwide annually) |
| 1977 - Present | Approximately 1,000 hours of seminars in general and municipal-related legal subjects. |
| 1976 | Juris Doctor Degree from Southwestern University School of Law |
| 1973 | Bachelor of Science Degree in Business Administration from University of Southern California |

PROFESSIONAL CREDENTIALS AND AFFILIATIONS:

- | | |
|-----------------------|---|
| 2011 | Recipient - William I. Thornton Jr. IMLA Faculty Award by the International Municipal Lawyers Association |
| 2010 | Designated a Municipal Law Fellow by the International Municipal Lawyers Association |
| 2008, 2006,
& 2005 | Named a Super Lawyer Government/Cities - Municipal Law |
| 2006 - 2011 | Regional Vice President, 9 th Circuit, International Municipal Lawyers Association |
| | Martindale-Hubbell Designated AV Rating |
| | Listed in Who's Who in California, 16 th Edition |
| 2000 - 2006 | State Chair, International Municipal Lawyers Association |

- 1995 President, City Attorneys Association, Los Angeles County
- 1994 President, Glendale Bar Association
- 1993 - 1995 Los Angeles County Representative, League of California Cities Legal Advocacy Committee
- 1993 - 1995 Secretary/Vice President, Los Angeles County City Attorneys Association
- 1987 - 1994 Trustee, Glendale Bar Association Board of Trustees
- 1985 - Present Member, Los Angeles County Bar Association
- 1981 Chairman of Subcommittee on Regulation--Ordinances and Administrative Regulations Concerning Police Powers of a City or Town, American Bar Association
- 1977 - 1990 Member, Criminal Justice Council, Glendale
- 1978 - Present Member, Glendale Bar Association
- 1977 - Present Member, American Bar Association
- 1976 - Present Member, State Bar of California

Admitted to practice before all California State Courts; United States District Court, Central District; United States Claims Court; United States Court of Appeals for the Ninth Circuit; United States Supreme Court.

PROFESSIONAL ACCOMPLISHMENTS:

Advocated before the State Court of Appeal, State Supreme Court, and Ninth Circuit Court of Appeals. Developed and obtained precedent setting Court decisions in the area of municipal taxation and licensing, state preemption, the Constitutional limitations on the use of municipal streets for news publications, the rights of public agencies regarding police officers' medical retirements and firearm use; litigated and resolved open space/acquisition and civil rights cases.

Drafted numerous Ordinances, some used as a model by many cities and towns nationwide.

Restructured Glendale City Attorney's Office to increase efficiency and productivity in a cost effective manner.

PUBLICATIONS AND SPEAKING ENGAGEMENTS:

- 2011 International Municipal Lawyer's Association: *The Municipal Lawyer Magazine*, March/April 2011, Vol. 52, No.2; "Street Side Employment Solicitation Regulations - Are They On Life Support?"
- 2009 Guest Lecturer U.S.C. Masters of Real Estate Development Program- "Findings, Takings & Exactions; An Overview"
- 2008 Panelist and presenter at Cities on the Cutting Edge Program-Hastings College of Law - "Local Responses to Immigration Issues"
- 2007 - Present Presentations on Firefighters Procedural Bill of Rights Act to League of California Cities, various fire departments in California, and City Attorneys Association of Los Angeles County
- 2005 - Present Presentations on issues involving day laborer regulations to League of California Cities, International Municipal Lawyers Association, New Mexico Municipal League, and City Attorneys Association of Los Angeles County
- 1995 - Present Conducted various training courses through in-house "Glendale University" including Open Meeting Laws; Ethics for Public Employees, Conflicts of Interest
- 1995 - Present Conducted training for elected and appointed officials on various subjects including A.B.1234 Ethics, Open Meeting Laws, Conflicts of Interest, Public Hearings and Procedural Due Process
- 1990 - 2006 Annual lecturer for National Recreation and Parks Association. Present a 22 hour class; including written materials on "Managing Safety and Liability" with current case updates
- 1985 - 1986 Lecturer for California Conference of Arson Investigators. Subjects include Peace Officer Liability, Punitive Damages, Presentation of Testimony, Elements of Tort and other Liability in State and Federal Courts
- 1984 - Present Annual Lecturer for California Parks and Recreation Society Inc., as well as Regional Seminars. Subjects include Municipal Liability, Employee Liability, Risk Management
- 1982 - Present Numerous speeches and lectures before community groups including: Women's Civic League of Glendale, local Kiwanis Clubs and others regarding "The Prosecutorial Function of the City Attorney's Office," "Municipal Liability," and "Campaign Financing Issues in Local Elections"
- 1979 Lecturer, National Association of Consulting Arborists Annual Meeting, Newport Beach, California

1978

National Institute of Municipal Law Officers: *The Municipal Attorney*,
Volume 19, No. 11, November, 1978; "Successful Defense of the Glendale
Newsrack Ordinance"

OTHER ACTIVITIES:

Member, Glendale Committee to Celebrate the Bicentennial of the United States Constitution.

Member, Education Advisory Committee, Legal Secretarial; Glendale Community College District.

1987-1990 Member, Board of Directors, Glendale Family Service Association (a United Way Agency).

1982-1987 Sit as Judge Pro-tem in Glendale Municipal Court numerous times yearly.

1988-1989 Member, Kiwanis International, Glendale; Past Chairman, Law and Regulations Committee, 1988-1989.

1998-2005 Volunteer Settlement Officer for Superior Court, North Central District

1987-1996 Member, Glendale Chamber of Commerce.

Personal, judicial, and professional references available upon request.

Matthew T. Summers

(213) 542-5719

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Matt Summers is an associate in Colantuono & Levin's Los Angeles office with advisory and litigation assignments. His practice covers a range of public law issues, including post-redevelopment disputes, telecommunications, land use, conflicts of interest, open meetings law, and Americans with Disabilities Act ("ADA") compliance. He serves as Assistant City Attorney and Planning Commission Counsel of the City of Calabasas and the City of La Habra Heights and advises the Cities of Barstow and Sierra Madre, including each City's role as Successor Agency to the former Redevelopment Agency, five Oversight Boards, and the Orangeline Development Authority, as well as work for our other general and special counsel clients. He is our firm's lead associate on telecommunications law and has assisted Calabasas in a number of vigorous disputes regarding cell tower siting under that city's complex and ambitious ordinance.

Current litigation assignments include defense of Calabasas' wireless telecommunications facilities siting ordinance; a constitutional challenge to A.B. 1484, the post-redevelopment legislation now pending in Sacramento Superior Court on behalf of 13 cities and their successor agencies from 11 counties around California; and several challenges by cities to decisions by the Department of Finance relating to redevelopment agency dissolution, including Recognized Obligation Payment Schedule disputes.

Prior to joining the firm, Matt was an Intern at the City Attorney's Office for the City of Berkeley, where he was involved with a wide range of municipal law topics. Matthew's work for the City encompassed advice and litigation, including research and analysis regarding the extent of the City's ADA obligations in novel cases concerning access to pools and non-motorized small boat launches. He also wrote memoranda concerning labor and employment issues, public nuisances, federal civil rights disputes under 42 U.S.C. Section 1983, public finance, and the Political Reform Act. He also wrote and argued a *Pitchess* motion on behalf of the City regarding access to personnel records of police officers in a criminal case. Matt received his J.D. *cum laude* from the University of California, Hastings in 2011 where he was an Articles Editor of the **Hastings West-Northwest Journal of Environmental Law & Policy**. While at Hastings, Matt worked as a judicial extern for the Honorable Marilyn H. Patel of the US District Court, Northern District of California. He graduated from Reed College with a B.A. in Economics in 2008 and is a member of Phi Beta Kappa.

Practice Areas :

- Public Law
- Post-Redevelopment Disputes
- Land Use
- Telecommunications Law

- Conflicts of Interest
- Open Meetings Law
- Public Records Act
- Americans with Disabilities Act

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**OVERSIGHT BOARD
FOR THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO**

Meeting Date: February 28, 2014

To: Oversight Board Members

From: Lisa Connor, Oversight Board Secretary

Subject: Recognized Obligation Payment Schedule 14-15A (July through December 2014)

RECOMMENDATION: Adopt the attached resolution approving the establishment of the Recognized Obligation Payment Schedule ("ROPS") 14-15A of the Successor Agency to the Redevelopment Agency of the City of San Bernardino ("Successor Agency"), for the period of July through December 2014.

BACKGROUND: The Redevelopment Agency of the City of San Bernardino was dissolved February 1, 2012. The Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino ("Oversight Board") has been established pursuant to Health and Safety Code Section 34179 to assist in the wind-down of the dissolved redevelopment agency.

Per Health and Safety Code § 34177 (l)(1), the Successor Agency is required to prepare a ROPS before each six-month fiscal period, which corresponds to equal halves of a fiscal year (i.e., July through December and July through December). The ROPS is the basis for the Successor Agency's authority to make payments due for enforceable obligations.

The ROPS 14-15A, which consists of several spreadsheets, is appended to the attached Resolution as Exhibit "A". Pursuant to Health and Safety Code § 34177 (m), an Oversight Board-approved ROPS 14-15A must be submitted to the County Auditor-Controller, County Administrative Officer, the State Controller and the State Department of Finance not later than March 3, 2014.

FISCAL IMPACT: Pursuant to Health and Safety Code Section 34177, the Successor Agency is legally required to continue to make payments due for enforceable obligations. The Oversight Board's approval of the establishment of ROPS 14-15A will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations.

ATTACHMENTS: Resolution.

RESOLUTION NO. SBOB/2014-02

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO APPROVING THE ESTABLISHMENT OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15A FOR THE PERIOD OF JULY THROUGH DECEMBER 2014

WHEREAS, the Redevelopment Agency of the City of San Bernardino was dissolved February 1, 2012; and

WHEREAS, the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino (“Oversight Board”) has been established pursuant to Health and Safety Code (“HSC”) § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

WHEREAS, Per Health and Safety Code § 34177 (l)(1), the Successor Agency to the Redevelopment Agency of the City of San Bernardino (“Successor Agency”) is required to prepare a ROPS before each six-month fiscal period, which corresponds to equal halves of a fiscal year (i.e., July through December and July through December); and

WHEREAS, The ROPS is the basis for the Successor Agency’s authority to make payments due for enforceable obligations; and

WHEREAS, the ROPS 14-15A, which consists of several spreadsheets, is appended to this Resolution as Exhibit “A”; and

WHEREAS, pursuant to Health and Safety Code § 34177 (m), an Oversight Board-approved ROPS 14-15A must be submitted to the County Auditor-Controller, County Administrative Officer, the State Controller and the State Department of Finance not later than March 3, 2014; and

WHEREAS, pursuant to Health and Safety Code Section 34177, the Successor Agency is legally required to continue to make payments due for enforceable obligations; and

WHEREAS, the Oversight Board’s approval of the establishment of ROPS 14-15A will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations; and

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

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino, as follows:

Section 1. The foregoing recitals are true and correct and are a substantive part of this Resolution.

1 **Section 2.** The establishment of the Successor Agency’s ROPS 14-15A for the period of July
2 through December 2014, which is attached hereto as Exhibit “A”, is approved.

3 **Section 3.** The City Manager, or designee, is authorized to: i) post ROPS 14-15A on the City’s
4 website, ii) transmit ROPS 14-15A to the County Auditor-Controller, the County
5 Administrative Officer, the State Controller and the State Department of Finance for
6 their review within the timeframe and in the manner prescribed by the Health and
7 Safety Code; and iii) make ministerial revisions to ROPS 14-15A, which may
8 include, but are not limited to restating the information included within ROPS 14-
15A in any format that may be requested by the State Department of Finance, take
such other actions and execute such other documents as are necessary to effectuate
the intent of this Resolution, and to implement ROPS 14-15A on behalf of the
Successor Agency, including authorizing and causing such payments.

9 **Section 4.** This Resolution shall take effect upon the date of its adoption

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1 RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO
2 THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO APPROVING
3 THE ESTABLISHMENT OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE
4 14-15A FOR THE PERIOD OF JULY THROUGH DECEMBER 2014

5 PASSED, APPROVED AND ADOPTED THIS ___ day of _____, 2014,
6 by the following vote:

7 Board Members	Ayes	Nays	Abstain	Absent
8 HEADRICK	_____	_____	_____	_____
9 HILL	_____	_____	_____	_____
10 LONGVILLE	_____	_____	_____	_____
11 MACIAS-HARRISON	_____	_____	_____	_____
12 MORRIS	_____	_____	_____	_____
13 O'TOOLE	_____	_____	_____	_____
14 SMITH	_____	_____	_____	_____

15 _____
16 Secretary

17 The foregoing Resolution is hereby approved this _____ day of _____, 2014.

18 _____
19 James P. Morris, Chairman
20 Oversight Board for the City of San Bernardino
21 As Successor Agency to the Redevelopment
22 Agency of the City of San Bernardino
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EXHIBIT "A"

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN BERNARDINO
RECONGNIZED OBLIGATION PAYMENT SCHEDULE 14-15A
(July through December 2014)**

(See Attachment)

Recognized Obligation Payment Schedule (ROPS 14-15A) - Summary

Filed for the July 1, 2014 through December 31, 2014 Period

Name of Successor Agency: San Bernardino City
 Name of County: San Bernardino

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding		
A Sources (B+C+D):		\$ 5,638,733
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		5,638,733
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 28,221,443
F Non-Administrative Costs (ROPS Detail)		27,399,459
G Administrative Costs (ROPS Detail)		821,984
H Current Period Enforceable Obligations (A+E):		\$ 33,860,176

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I Enforceable Obligations funded with RPTTF (E):		28,221,443
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		-
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 28,221,443

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L Enforceable Obligations funded with RPTTF (E):		28,221,443
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
N Adjusted Current Period RPTTF Requested Funding (L-M)		28,221,443

Certification of Oversight Board Chairman:
 Pursuant to Section 34177(m) 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 agency.

Name	Title
/s/ _____	
Signature	Date

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail
July 1, 2014 through December 31, 2014
 (Report Amounts in Whole Dollars)

A Item #	B Project Name / Debt Obligation	C Obligation Type	D Contract/Agreement Execution Date	E Contract/Agreement Termination Date	F Payee	G Description/Project Scope	H Project Area	I Total Outstanding Debt or Obligation	J Retired	K, L, M, N Funding Source					O Six-Month Total	P Six-Month Total
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin		
								\$ 278,179,533		\$ -	\$ -	\$ 5,638,733	\$ 27,399,459	\$ 821,984	\$ 33,860,176	207,144
3	1998A TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Central City RDA Projects	M/CC	8,957,887	N						207,144	207,144
4	1998B TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Central City RDA Projects	M/CC	4,826,087	N						125,588	125,588
6	2002A TABs	Bonds Issued On or Before 12/31/10	3/4/2002	2/1/2031	US Bank	Mt Vernon Project Area	MTV	4,998,640	N						172,975	172,975
7	2002 TABs	Bonds Issued On or Before 12/31/10	11/19/2001	4/1/2026	US Bank	SC, CCN, SEIP, NW, TRI, UP and SV Projects	SC,CCN,SEIP,NW,TRI,UP,SV	27,230,822	N						631,688	631,688
8	2005A TABs	Bonds Issued On or Before 12/31/10	9/22/2005	10/1/2025	US Bank	SC, CCN, SEIP, NW, TRI, UP and SV Projects	SC,CCN,SEIP,NW,TRI,UP,SV	53,283,267	N						4,023,753	4,023,753
9	2005B TABs	Bonds Issued On or Before 12/31/10	9/22/2005	10/1/2025	US Bank	SC, CCN, SEIP, NW, TRI, UP and SV Projects	SC,CCN,SEIP,NW,TRI,UP,SV	19,872,712	N						1,540,393	1,540,393
10	2010A RECOVERY ZONE	Bonds Issued On or Before 12/31/10	12/6/2010	4/1/2030	US Bank	Recovery Zone Projects	CCN,M/CC,NW	11,764,449	N						258,875	258,875
11	2010B TABs	Bonds Issued On or Before 12/31/10	12/6/2010	4/1/2028	US Bank	Northwest Project Area	NW	4,439,510	N						86,800	86,800
12	1995H Highland Lutheran SR Housing	Revenue Bonds Issued On or Before 12/31/10	6/19/1995	7/1/2025	US Bank	Sr Housing Complex	IVDA	1,714,047	N						41,938	41,938
13	1995R Casa Ramona Sr Housing	Revenue Bonds Issued On or Before 12/31/10	6/19/1995	7/1/2025	US Bank	Ramona Sr Housing Complex	MTV	1,582,976	N						38,194	38,194
14	CMB-Export \$15,000,000 Notes	Third-Party Loans	10/5/2009	9/1/2015	CMB Export Infrastructure Group	Various construction projects per agreement	SC,UP,CCN,CCS,SEIP,TRI	17,087,500	N						393,750	393,750
15	CMB-Export \$10,000,000 Notes	Third-Party Loans	3/3/2011	12/1/2017	CMB Export Infrastructure Group	Various construction projects per agreement	CCE,CCS,CCN,M/CC	11,838,400	N						262,500	262,500
16	CMB-Export \$8,000,000 Notes	Third-Party Loans	9/20/2010	10/1/2016	CMB Export Infrastructure Group	Various construction projects per agreement	IVDA	8,945,000	N						210,000	210,000
17	Cinema Section 108 Bonds	Bonds Issued On or Before 12/31/10	6/15/1998	8/1/2018	Bank of New York	Cinema Star Project	CCN,M/CC,NW	3,623,586	N						590,290	590,290
18	Arden-Guthrie Sec. 108 Bonds	Bonds Issued On or Before 12/31/10	7/24/2006	8/1/2025	Bank of New York	North Arden/Guthrie Project -- Subordinate Credit to CDBG	IVDA	9,056,591	N							-
19	Hillwood-DDA TI Reimbursement	OPA/DDA/Construction	9/18/2006	4/27/2021	Hillwood Properties	Tax Sharing Agreement - Warehouse Facility	SC	3,001,561	N						245,439	245,439
20	BP CA - Site Remediation	OPA/DDA/Construction	10/7/2002	9/30/2018	BP Cal	Tax Sharing Agreement - Site Remediation	TRI	602,736	N						95,127	95,127
22	Young Electric Sign Company OPA	OPA/DDA/Construction	3/17/2008	7/15/2022	YESCO	Tax Sharing Agreement	NW	1	Y							-
23	Perris Campus Plaza DDA	OPA/DDA/Construction	6/4/2007	6/4/2022	ICO Development	Tax Sharing Agreement - New Construction	IVDA	1	Y							-
24	SB County Bldg - TADS	OPA/DDA/Construction	8/16/2004	2/2/2020	Waterman Holdings	Tax Sharing Agreement - New Construction	CCE	276,154	N						11,052	11,052
25	Mapei	OPA/DDA/Construction	12/2/2002	6/30/2013	Mapei	Tax Sharing Agreement - New Construction	NW	1	Y							-
28	2006 TABs	Bonds Issued On or Before 12/31/10	3/20/2006	5/1/2027	US Bank	LMIHF Projects/Programs	CCN	26,833,053	N						571,559	571,559
30	PERS - Unfunded Pension Liability	Unfunded Liabilities	6/30/2010	8/10/2045	CalPERS	Est. Unfunded Pension Balance as of 6-30-2010	ALL	5,211,000	N							-
31	Retiree Health Benefit	Miscellaneous	6/23/2005	8/10/2045	Various Employees	Retiree Supplemental Health Benefit per Agency Policy	ALL	858,000	N						14,850	14,850
32	Successor Agency Admin.	Admin Costs	2/1/2012	4/1/2030	Various	Various admin activities in support of the dissolution of the former RDA	ALL	10,492,566	N					821,984	821,984	821,984
33	Litigation - Carousel Mall (Placo)	Litigation	9/7/2011	4/1/2030	Lewis Brisbois	Legal representation for litigation	M/CC	283	N						283	283
34	Litigation - Peart v. City of San Bernardino	Litigation	5/20/2011	4/1/2030	Lewis Brisbois	Lawsuit - Personal injury	ALL	9,085	N						9,085	9,085
36	Litigation - Glen Aire MHP Corp	Litigation	3/5/2012	4/1/2030	Endeman Lincoln Turek Heater	Lawsuit - Glen Aire MHP Corp et al	City, IVDA	23,357	N						23,357	23,357

Recognized Obligation Payment Schedule (ROPS) 14-15A - ROPS Detail
July 1, 2014 through December 31, 2014
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P		
										M						N	O
										Funding Source							
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	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total		
38	Long Term Property Maintenance	Property Maintenance	6/28/2011	8/10/2045	Various Vendors	Maintenance of former RDA properties in accordance with AB 1484	ALL	11,500,000	N				1,385,200		1,385,200		
40	Infrastructure - Watson OPA	OPA/DDA/Construction	12/20/2010	7/31/2013	University Parkway Promenade	OPA - Housing/retail project infrastructure	SC	1	Y						-		
41	Auto Plaza - Reader Board	OPA/DDA/Construction	5/17/2010	4/1/2030	Citizens Business Bank	Loan Guarantee Only	SEIP	688,000	N						-		
82	HSC 34171 (d)(1)(A) Reserve	Bonds Issued On or Before 12/31/10	3/2/1998	4/1/2030	US Bank	Replenishment of DSR Draws	ALL	4,849,838	N				4,849,838		4,849,838		
84	Securities Servicing	Fees	3/2/1998	4/1/2030	US Bank	Securities Servicing of all Bonds	ALL	995,246	N				71,089		71,089		
85	Unfunded Prior-Year Pass-Through Payment Obligations	Miscellaneous	7/1/2009	4/1/2030	SBVMWD	Unfunded Prior-Year Pass-Through Payment Obligations	ALL	2,644,578	N				2,644,578		2,644,578		
86	Bond DSRF Investment Services	Fees	7/1/2011	4/1/2030	Citizens Business Bank	Bond DSRF Investment Services	ALL	1	Y						-		
87	Carousel Mall Past Due Prop. Tax	Miscellaneous	7/1/2010	4/1/2030	SB County Tax Collector	Prop. Taxes Assumed at Foreclosure	ALL	869,691	N				869,691		869,691		
88	ACAA Limited Partnership Purchase Money Note	Third-Party Loans	5/19/2011	6/1/2012	ACAA Limited Partnership	ACAA Limited Partnership Purchase Money Note	ALL	1,900,000	N		1,900,000				1,900,000		
89	CAC Under Payment ROPS 13-14A	Miscellaneous	5/29/2013	4/1/2030	Successor Agency	CAC Under Paid SA on ROPS 13-14A	ALL	1	Y						-		
90	Discounted settlement of lawsuit to foreclose mechanics lien against former RDA property	Property Maintenance	3/3/2011	4/1/2030	San Bernardino Economic Development Corp. for payment to Allison Mechanical	Settlement of Case # CIVDS1211891	ALL	511,822	N			511,822			511,822		
91	Discounted settlement of lawsuit to foreclose mechanics lien against former RDA property	OPA/DDA/Construction	3/3/2011	4/1/2030	San Bernardino Economic Development Corp. for payment to Regal Entertainment Group, as successor in interest to Aspen Builders, Inc.	Settlement of Case # CIVDS1210338	ALL	1,919,911	N			1,919,911			1,919,911		
92	Discounted settlement of lawsuit to foreclose mechanics lien against former RDA property	OPA/DDA/Construction	3/3/2011	4/1/2030	San Bernardino Economic Development Corp. for payments to L. A. Engineering, Inc.	Settlement of Case # CIVDS1210197	ALL	1,200,000	N			1,200,000			1,200,000		
93	Discounted settlement of lawsuit to foreclose mechanics lien against former RDA property	Property Maintenance	3/3/2011	4/1/2030	San Bernardino Economic Development Corp. for payment to Braughton Const., Inc.	Settlement of Case # CIVDS1210289	ALL	107,000	N			107,000			107,000		
94	Unfunded Prior-Year Pass-Through Payment Obligations	Miscellaneous	2/12/2014	4/1/2030	Rialto Unified School District	Unfunded Prior-Year Pass-Through Payment Obligations	MTV	42,742	N				42,742		42,742		
95	Unfunded Prior-Year Pass-Through Payment Obligations	Miscellaneous	2/12/2014	4/1/2030	San Bernardino City Unified School District	Unfunded Prior-Year Pass-Through Payment Obligations	ALL	2,223,398	N				2,223,398		2,223,398		
96	Reimbursement Agreement for Debt Service on 1999 COPs	Bonds Issued On or Before 12/31/10	9/29/1999	9/1/2024	US Bank	Reimbursement for Debt Service for 1999 COPs (201 Bldg. & South Valle)	SV, M/CC, CCN	7,579,147	N				1,139,588		1,139,588		
97	1998A TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Addition of Principal reduction payment for ROPS 13-14B	M/CC	985,000	N				985,000		985,000		
98	1998B TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Addition of Principal reduction payment for ROPS 13-14B	M/CC	420,000	N				420,000		420,000		
99	1995H Highland Lutheran SR Housing	Revenue Bonds Issued On or Before 12/31/10	6/19/1995	7/1/2025	US Bank	Difference between DOF approved amount and actual amount per Trustee's invoice	IVDA	59,274	N				59,274		59,274		
100	1995R Casa Ramona Sr Housing	Revenue Bonds Issued On or Before 12/31/10	6/19/1995	7/1/2025	US Bank	Difference between DOF approved amount and actual amount per Trustee's invoice	MTV	35,406	N				35,406		35,406		
101	2006 TABs	Bonds Issued On or Before 12/31/10	3/20/2006	5/1/2027	US Bank	Addition of Principal reduction payment for ROPS 13-14B	CCN	1,470,000	N				1,470,000		1,470,000		
102	1997A TABs	Bonds Issued On or Before 12/31/10	7/14/1997	9/1/2013	US Bank	Correct error in DOF's ROPS II PPA for EO # 2	M/CC	21,156	N				21,156		21,156		
103	2005B TABs	Bonds Issued On or Before 12/31/10	9/22/2005	10/1/2025	US Bank	Correct error in DOF's ROPS II PPA for EO # 9	SC,CCN,SEIP,NW,T,RI,UP,SV	219	N				219		219		
104	CMB-Export \$10,000,000 Notes	Third-Party Loans	3/3/2011	12/1/2017	CMB Export Infrastructure Group	Correct error in DOF's ROPS II PPA for EO # 15	CCE,CCS,CCN,M/CC	900	N				900		900		

Recognized Obligation Payment Schedule 14-15A - Notes
July 1, 2014 through December 31, 2014

Item #	Notes/Comments
3	None
4	None
6	None
7	None
8	None
9	None
10	None
11	None
12	None
13	None
14	None
15	None
16	None
17	None
18	The Arden-Guthrie Section 108 (CDBG) Loan has an RDA stand-by guaranty that may only be called upon if the CDBG funds during any year are insufficient to make debt service. Since CDBG revenue is projected to be sufficient during ROPS 14-15A, no current payment is needed from RPTTF.
19	None
20	None
22	The YESCO Agreement expired pursuant to a default.
23	The Perris Campus Project has been transferred to the IVDA Successor Agency for future administration as the agreement may only be paid from IVDA Successor Agency RPTTF on a going forward basis. This project will appear on a future IVDA Successor Agency ROPS.
24	None
25	The MAPEI Agreement has expired according to its terms.
28	None
30	None
31	None
32	Equal to 3% of Excel cell N-31 (see formula).
33	None
34	None
36	None
38	None
40	The Watson-University Parkway Promenade Agreement has expired according to its terms.
41	The Auto Plaza Reader Board Loan Guaranty may only be called on if the Auto Mall Association fails to make a debt service payment to CBB. No such payment failure is anticipated during ROPS 14-14A.
82	For ROPS 13-14B, DOF approved the DSRF replenishment and assigned the source of replenishment as "Other". Based on all of the communications provided to DOF, the Successor Agency has confirmed that no such funding exists making it impossible to replenish the DSRFs. The Successor Agency believes that DOF erred in this matter and requests reconsideration as the Successor Agency cannot otherwise replenish the DSRFs.
84	None
85	Unfunded Prior-Year Pass-Through Payment Obligations.
86	None
87	DOF denied this item for ROPS 13-14B based on an erroneous assumption regarding the period of time during which the property taxes were due. DOF assumed that the unpaid property taxes were for a period of time during which the property was owned by the SBEDC. This assumption is false. As explained by the Successor Agency during the ROPS 13-14B review and meet and confer process, the property taxes have nothing whatsoever to do with the SBEDC. The Successor Agency requests DOF reconsideration of this matter based on a factual review of the record.
88	In its 12-17-13 letter, DOF denied this item based on an incomplete understanding the facts relating to this EO. On this basis, the Successor Agency requests reconsideration of this EO by DOF. Payment in full on the ACAA Limited Partnership purchase money note was due on June 1, 2012. Due to Successor Agency cash-flow insolvency, payment could not have been made at the maturity date. ACAA Limited Partnership is now considering a foreclosure action against the Successor Agency. ACAA Limited Partnership is offered to accept a deed in lieu of foreclosure to extinguish the secured debt. Since payment will be accomplished pursuant to a deed in lieu of foreclosure, no cash will actually change hands.

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
89	None
90	the Successor Agency requests reconsideration of this EO by DOF. Completion of this EO will occur upon settlement, or if case cannot be settled, upon satisfaction of court judgment by sale of property at foreclosure or full payment of judgment awarded. San Bernardino County Superior Court Case No. CIVDS1211891 (Allison Mechanical. v. SBEDC). Per SCO ATR order, the affected real property is being transferred to the Successor Agency from the SBEDC, with any outstanding related liabilities, including the mechanics lien sought to be foreclosed in this court case. Case is set for trial on 11/25/2013. The following sources of funds are proposed for payment of the settlements in EOs 90-93: (1) Deposit of probable compensation by San Bernardino County Transportation Commission in eminent domain proceeding seeking to condemn former RDA property expected to be conveyed to Successor Agency upon DOF approval; (2) Interpleader account containing former RDA funds previously deposited for disbursal to construction contractor pursuant to EO 91; (3) retention account containing former RDA funds previously deposited for disbursal to construction contractor pursuant to EO 92; or (4) any other source of funding legally available to the Successor Agency.
91	reconsideration of this EO by DOF. Completion of this EO will occur upon settlement, or if case cannot be settled, upon satisfaction of court judgment by sale of property at foreclosure or full payment of judgment awarded. San Bernardino County Superior Court Case No. CIVDS1210338 (Aspen Builders, Inc. v. Regal Cinemas, Inc.; SBEDC). Per SCO ATR order, the affected real property is being transferred to the Successor Agency from the SBEDC, with any outstanding related liabilities, including the mechanics lien sought to be foreclosed in this court case. Case is anticipated to be set for trial during April or May 2014. The following sources of funds are proposed for payment of the settlements in EOs 90-93: (1) Deposit of probable compensation by San Bernardino County Transportation Commission in eminent domain proceeding seeking to condemn former RDA property expected to be conveyed to Successor Agency upon DOF approval; (2) Interpleader account containing former RDA funds previously deposited for disbursal to construction contractor pursuant to EO 91; (3) retention account containing former RDA funds previously deposited for disbursal to construction contractor pursuant to EO 92; or (4) any other source of funding legally available to the Successor Agency.
92	reconsideration of this EO by DOF. Completion of this EO will occur upon settlement, or if case cannot be settled, upon satisfaction of court judgment by sale of property at foreclosure or full payment of judgment awarded. San Bernardino County Superior Court Case No. CIVDS1210197 (Los Angeles Engineering, Inc. v. SBEDC). Per SCO ATR order, the affected real property is being transferred to the Successor Agency from the SBEDC, with any outstanding related liabilities, including the mechanics lien sought to be foreclosed in this court case. Case is set for trial on 12/9/2013. The following sources of funds are proposed for payment of the settlements in EOs 90-93: (1) Deposit of probable compensation by San Bernardino County Transportation Commission in eminent domain proceeding seeking to condemn former RDA property expected to be conveyed to Successor Agency upon DOF approval; (2) Interpleader account containing former RDA funds previously deposited for disbursal to construction contractor pursuant to EO 91; (3) retention account containing former RDA funds previously deposited for disbursal to construction contractor pursuant to EO 92; or (4) any other source of funding legally available to the Successor Agency.
93	Successor Agency requests reconsideration of this EO by DOF. Completion of this EO will occur upon settlement, or if case cannot be settled, upon satisfaction of court judgment by sale of property at foreclosure or full payment of judgment awarded. San Bernardino County Superior Court Case No. CIVDS1210289 (Braughton Construction, Inc. v. SBEDC). Per SCO ATR order, the affected real property is being transferred to the Successor Agency from the SBEDC, with any outstanding related liabilities, including the mechanics lien sought to be foreclosed in this court case. Case is set for trial on 12/2/2013. The following sources of funds are proposed for payment of the settlements in EOs 90-93: (1) Deposit of probable compensation by San Bernardino County Transportation Commission in eminent domain proceeding seeking to condemn former RDA property expected to be conveyed to Successor Agency upon DOF approval; (2) Interpleader account containing former RDA funds previously deposited for disbursal to construction contractor pursuant to EO 91; (3) retention account containing former RDA funds previously deposited for disbursal to construction contractor pursuant to EO 92; or (4) any other source of funding legally available to the Successor Agency.
94	Unfunded Prior-Year Pass-Through Payment Obligations.
95	Unfunded Prior-Year Pass-Through Payment Obligations.
96	The Reimbursement Agreement for Debt Service on 1999 COPs date September 29, 1999 requires the payments indicated for the 201 Building and the South Valle project components. The amount shown is reimbursement for the payment made during September 2013 during ROPS 13-14A.
97	During the ROPS 13-14B review period, DOF was advised that the principal reduction portion of the payments due for the 1998A, 1998B and 2006 TABs was inadvertently left off the initial ROPS 13-14B and was requested to authorize an adjustment to reflect the actual debt service requirement. Ultimately, DOF determined not to allow the requested adjustment to ROPS 13-14B and advised to add the principal reduction component of the ROPS 13-14B debt service for the subject bond issues to ROPS 14-15A.
98	During the ROPS 13-14B review period, DOF was advised that the principal reduction portion of the payments due for the 1998A, 1998B and 2006 TABs was inadvertently left off the initial ROPS 13-14B and was requested to authorize an adjustment to reflect the actual debt service requirement. Ultimately, DOF determined not to allow the requested adjustment to ROPS 13-14B and advised to add the principal reduction component of the ROPS 13-14B debt service for the subject bond issues to ROPS 14-15A.

Recognized Obligation Payment Schedule 14-15A - Notes

July 1, 2014 through December 31, 2014

Item #	Notes/Comments
99	During the ROPS 13-14B review period, DOF was requested to make certain debt service adjustments to the 1995H and 1995R Revenue Bonds. The Successor Agency provided DOF with data prepared by US Bank, as bond Trustee, to verify the actual need for RPTTF. Based on DOF's letter of 12-17-13, it is apparent that DOF did not comprehend the information provided by US Bank and ultimately approved amounts for debt service for the two bond issues that were \$59,274 (for the 1995H bonds) and \$35,406 (for the 1995R bonds) less than was actually required for each bond debt service payment during ROPS 13-14B. Therefore, this EO is to correct the mistake in DOF's 12-17-13 letter regarding the two bond issues' actual debt service amounts.
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101	During the ROPS 13-14B review period, DOF was advised that the principal reduction portion of the payments due for the 1998A, 1998B and 2006 TABs was inadvertently left off the initial ROPS 13-14B and was requested to authorize an adjustment to reflect the actual debt service requirement. Ultimately, DOF determined not to allow the requested adjustment to ROPS 13-14B and advised to add the principal reduction component of the ROPS 13-14B debt service for the subject bond issues to ROPS 14-15A.
102	On page 6 of DOF's 12-17-13 letter DOF disallowed a total of \$944,503-worth of actual RPTTF expenses during ROPS II for EO #s 2, 9, 15, 26, 33 and 38. DOF invited the Successor Agency to list these items on a future ROPS if it believed that these expenses were enforceable obligations. The Successor Agency's position is that each EO item on each ROPS submitted is only a budget estimate and not an audited number and thus is subject to modification as may be needed. Further, the Successor Agency confirms that all of the cited line item overages that DOF disallowed were at the time and continue to be enforceable obligations that are rightfully funded with RPTTF. The Successor Agency requests DOF's approved of each item.
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108	This items is for the payment for Housing Program expenses during ROPS I that were not paid and the lack of payment was discovered by the vendor's internal audit and confirmed by the Successor Agency. This is a one time only and final payment to the vendor.
109	This item is to correct an error in amount of interest due during ROPS 13-14A as substantiated by Trustee Invoice and reflected on the PPA form.
110	This item is to correct an error in amount of interest due during ROPS 13-14A as substantiated by Trustee Invoice and reflected on the PPA form.
111	This item is to correct an error in amount of interest due during ROPS 13-14A as substantiated by Trustee Invoice and reflected on the PPA form.



December 17, 2013

Mr. Allen Parker, City Manager
San Bernardino City
300 North D Street, 6th Floor
San Bernardino, CA 94218

Dear Mr. Parker:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated November 15, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the San Bernardino City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to Finance on October 1, 2013, for the period of January through June 2014. Finance issued a ROPS determination letter on November 15, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on December 4, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

- Item Nos. 10, 12, and 13 – Various Recovery and Revenue Bonds totaling \$15,608,589. The Agency requests funding in the amounts of \$454,100, \$44,225, and \$40,360, respectively, for the ROPS 13-14B period. However, based on documentation provided during the initial review, Finance had denied the items as the Agency is not required to fund the full debt service through tax increment since other revenues are pledged towards the payments. The Agency had provided US Bank account summary schedules as follows:
 - Item No. 10 – The Agency is receiving a "Federal Direct Payment" subsidy as other revenue pledged. Based on the account summary schedule, as of October 16, 2013, the Reserve Fund account balance is \$731,999. The Agency contends \$688,323 is the required balance for the Reserve Fund, leaving \$43,676 available to apply as a credit towards the \$454,100 amount requested. During the Meet and Confer process, the Agency provided the monthly statements for the Interest Account and Reserve Fund as of November 30, 2013 showing a balance of \$43,711 and \$688,323, respectively. Since \$688,323 is the required debt reserve, \$43,711 is available to apply towards the payment. Therefore, \$43,711 is being reclassified to "Other" funds and \$410,389 will be paid from the Redevelopment Property Tax Trust Fund (RPTTF).

- o Item Nos. 12 and 13 – Other revenue is received monthly from third parties. The Agency contends other revenues received are required to fund other obligations related to the projects and are not available to fund debt service payments. However, pursuant to Section 5.02 of the Bond Indenture, on the 15th of each month, a portion of gross revenues deposited in the Revenue Fund, in order of priority, should be applied towards annual trustees fees, then applied to fund the taxes, assessments, and insurance for the projects, then applied to fund interest and principal due on the next succeeding due date. Further, January 2013 invoices for interest due showed that the amount paid by the Agency was reduced by cash on hand credits of \$5,693 and \$23,291, respectively. During the Meet and Confer process, the Agency failed to provide additional documents to verify the balances in the Interest Funds for each of the bonds. As such, Finance will use the unverified account summary schedules provided during the initial review showing balances of \$2,177 and \$49,390, respectively. Therefore, for Item Nos. 12 and 13, Finance reclassifies \$2,177 and \$40,360 to "Other" funds and approves \$42,048 and \$0 to be paid from the RPTTF, respectively.

Finance does not consider the US Bank account summary schedules provided as sufficient supporting documentation. However, since other revenue is available for Item No. 10 and appears to be available for Item Nos. 12 and 13, the funding source is being changed from "RPTTF" to "Other Funds" in the amounts of \$43,711, \$2,177, and \$40,360, respectively, reflecting the proper use of other revenues. Therefore, these line items are eligible for \$410,389, \$42,048, and \$0 in RPTTF funding, respectively.

- Item No. 82 – Debt Service Reserve Fund (DSRF) Replenishment in the amount of \$5,085,237. Finance no longer denies this item; however, the funding source is being reclassified to "Other" funds. The amount requested represents total funding needed to replenish the DSRF to the required balances for Item Nos. 3, 4, 6 through 11, and 28. During the July through December 2013 period (ROPS 13-14A) Finance approved \$6,408,144 in RPTTF funding for this item. Finance notes that the Agency's total DSRF amount outstanding provided during ROPS 13-14B has now increased to \$6,640,033. The Agency contends it did not receive sufficient RPTTF funding during ROPS 13-14A and claims that only \$1,554,796 in RPTTF funding was available to fund the DSRF amount. The remaining \$5,085,237 (\$6,640,033-\$1,554,796) is being requested on ROPS 13-14B.

Finance authorized \$17,569,239 in RPTTF funds for ROPS 13-14A enforceable obligations, and applied a ROPS II Prior Period Adjustment (PPA) in the amount of \$5,876,914, resulting in \$11,692,325 in RPTTF funds approved for distribution, which was fully distributed by the San Bernardino County Auditor Controller. The Agency also received \$510,467 in RPTTF funds for administrative costs. Consequently, sufficient RPTTF funding was available for the Agency to replenish the required reserves for the ROPS 13-14A period, including the funding that is available from the PPA of \$5,876,914.

The Agency contends that all of the ROPS II PPA had actually been spent and that it is impossible to recover such funds. The Agency also continues to contend that given the Agency's dire fiscal condition, the Agency has been required to "triage" the use of its RPTTF. However, the items on which the funds were spent were not approved by Finance; therefore, the funds should be available for expenditure.

HSC section 34177 (a) (3) states that only those payments listed on the approved ROPS may be made from the funding source specified in the ROPS. Also, HSC section 34183 (a) (2) explicitly requires debt service payments to be made first, followed by revenue bonds (to the extent revenues are insufficient to cover the payments due), and all other obligations, if sufficient RPTTF funding remains. Additionally, HSC section 34171 (d) (1) (A) permits reserves to be held only when required by the bond indenture, or when the next property tax allocation will be insufficient to pay the next bond payment due in the following half of the fiscal year. Therefore, to the extent the Agency has not been funding approved enforceable obligations in this order, the Agency is in violation of the law. As such, the Agency should reverse those non-debt service transactions that were either not approved by Finance or subordinated to the Agency's debt service payments. Once corrected, the Agency should return the funding to each DSRF.

Based on a review of the prior period adjustment form for the ROPS II period, the Agency reported expending "Other" funds (i.e., funds from each DSRF) to make the debt service payments instead of RPTTF funds as approved by Finance. However, as noted above, HSC section 34177 (a) (3) states that only those payments listed on the approved ROPS may be made from the funding source specified in the ROPS. HSC section 34177 (a) (4) goes on to state that with prior approval from the oversight board, the successor agency can make payments for enforceable obligations from sources other than those listed in the ROPS. However, no such approval was presented to Finance, and as such, the Agency's reserve balances should not have been depleted. Again, to the extent funding was moved inappropriately out of each DSRF, the Agency should return the funds to the proper accounts.

Further, Finance requested copies of bond fiscal statements as of June 30, 2013, for each affected bond's DSRF account to confirm the ending balances and to verify that each DSRF account was underfunded. The Agency provided a DSRF summary schedule in Excel and PDF format prepared by US Bank. Finance does not consider the summary schedules as sufficient supporting documentation. Therefore, for all the reasons stated above, this item is not eligible for additional RPTTF funding since sufficient balances were available from the ROPS 13-14A distribution to fully fund each DSRF and no funds should have been drawn from each DSRF in the first place. As such, the funding source is being reclassified to "Other" funds.

- Item No. 85 – Past Under-Paid Pass Thru Payments in the amount of \$2,644,578. Finance no longer denies this item. According to the Agency, the San Bernardino Municipal Water District (District) has determined that the Agency owes the District past due pass thru payments for fiscal years 2007-08 through 2011-12. The summary letter provided by the District shows the amount owed to the District. However, Finance initially denied this item as HSC section 34171 (d) (1) (E) defines an enforceable obligation as a legally binding and enforceable agreement or contract and an agreement had not been established between the Agency and the District, specifying the responsibilities of each party, total compensation amount, and payment terms. During the Meet and Confer process, the District provided additional documents from Rosenow Spevacek Group, Inc., showing how the summary of amounts owed was determined, which included the 1988 pass through agreement between the District and the former redevelopment agency (RDA), an explanation of how the original methodology used to calculate the statutory pass through amounts was incorrect, the corrected methodology used to determine the actual statutory pass through amounts owed, and the actual

payments already received by the District. Therefore, this item is an enforceable obligation and is eligible for RPTTF funding.

- Item No. 87 – Carousel Mall Past Due Property Tax totaling \$869,691. Finance continues to deny this item. The amount consists of past due property taxes for nine parcels. The Agency acquired the property through a Purchase Money Note dated May 3, 2010, when the former owner defaulted. Documentation was provided for each parcel's past due amounts owed for property tax years 2009, 2010, and 2012. Finance initially denied this item as the title owners of the properties during these tax years are third parties; therefore, the Agency should pursue collection of amounts due from the previous owners. Additionally, governmental property is exempt from property taxes. Based upon further review of the County of San Bernardino Treasurer-Tax Collector's website during the Meet and Confer process, it was determined that the Agency is not the current owner of the properties. The current owner for all nine parcels is the Carousel Mall LLC, not the Agency. All of these properties were inappropriately transferred to the San Bernardino Economic Development Corporation (SBEDC) in March 2011, which then transferred the properties to Carousel Mall LLC in December 2011. If and when the properties are transferred back to the Agency, the past due property taxes for tax years 2009 and 2010 may be obligations of the Agency; however, the past due property taxes for tax year 2012 should remain the obligation of the Carousel Mall LLC since these amounts would never have been incurred had the former RDA not transferred the properties. Therefore, this line item is not an enforceable obligation and is not eligible for RPTTF funding.
- Item Nos. 88 and 90 to 93 – Liabilities related to former RDA properties, totaling \$4,161,000, transferred to the SBEDC. Finance continues to deny these items. During the California State Controller Office's (Controller) Asset Transfer Review, the Controller ordered the return of several properties formerly owned by the Agency. The Agency contends the Controller's return order also includes any outstanding related liabilities related to those assets; therefore, those liabilities are now obligations of the Agency. However, Finance denied these items as it was our understanding these liabilities were incurred or created during the time the properties were owned and operated by the SBEDC, and any contracts or agreements signed were executed between the SBEDC and various third parties; the former RDA was not a party to the contracts. Therefore, the following line items are not enforceable obligations and not eligible for RPTTF funding as specified below:
 - Item No. 88 – ACAA Limited Partnership (ACAA) Purchase Money Note totaling \$1,900,000. The promissory note, dated May 19, 2011, is between ACAA and SBEDC, the former RDA is not a party to the contract. The Agency contends the \$1,900,000 principal amount due June 1, 2012, was not paid and provided a May 22, 2013, default letter from ACAA, which was addressed to SBEDC, not the Agency. During the Meet and Confer process, the Agency stated that the funding source should be "Other" funds, not the RPTTF. Finance acknowledges the request to change funding sources; however, the payment of the promissory note is still the obligation of SBEDC, not the Agency. Therefore, this item is not an enforceable obligation and is not eligible for "Other" funds or RPTTF funding.
 - Item Nos. 90 to 93 – Discounted Settlement of Lawsuits to foreclose mechanics liens against former RDA properties totaling \$2,261,000. According to documentation provided, these liens are tied to properties that the former RDA

transferred to SBEDC during March 2011. The project contracts were executed between SBEDC and the contractors, and project work was completed while SBEDC held title to the properties. The liens were filed because SBEDC stopped payments to the contractors. Since SBEDC, not the former RDA or the Agency, is the noted party to the contracts, SBEDC is financially obligated to pay for the contracted work. Therefore, these items are not enforceable obligations and are not eligible for "Other" funds.

- The Agency's claimed administrative costs exceed the allowance by \$219,174. HSC section 34171 (b) limits fiscal year 2013-14 administrative expenses to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater. As a result, the Agency is eligible for \$880,901 in administrative expenses. The San Bernardino County Auditor-Controller's Office distributed \$510,467 in administrative costs for the July through December 2013 period, thus leaving a balance of \$370,434 available for the January through June 2013 period. Although \$572,997 is requested for administrative cost, Item No. 89 – CAC Underpayment of ROPS 13-14A Administrative Costs in the amount of \$16,610 is considered an administrative expense and has been reclassified. Therefore, the Agency is approved for \$370,434 in administrative costs, and the excess \$219,174 (\$589,607-\$370,434) is not allowed.
- Pursuant to HSC section 34186 (a), successor agencies were required to report the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. The amount of RPTTF funding approved in the table below includes the prior period adjustment that was self-reported by the Agency. HSC section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF initially approved in the table below included only the prior period adjustment that was self-reported by the Agency in the amount of \$2,142,163.

During the Meet and Confer process, the Agency stated that the formula included within the ROPS 13-14B form provided by Finance did not allow for the proper reporting of circumstances like the Agency's. As such, Finance allowed the Agency to recomplete and resubmit the form with their corrected amounts. The resubmitted form showed a prior period adjustment of \$0; however, based on further review of the amounts included, the prior period adjustment should be \$962,503 (\$944,503 + \$18,000), as discussed below.

Originally, the Agency did not include any amounts in the "Available RPTTF" column, even though the amount authorized by Finance was not the amount available from the CAC's distribution. This error did, in fact, overstate the original prior period adjustment reported. In our review of the resubmitted form provided during the Meet and Confer process, Finance determined that the Agency had included the actual expended amount in the "Available RPTTF" column, deleted the formula in the "Net Lesser of Authorized/Available" column, and calculated the difference between the "Actual" column and the "Available" column to allow for the over expenditure of line items. To correct for these inappropriate changes made to Finance's form, Finance has corrected the amounts in the "Available RPTTF" column to total the CAC distribution of \$12,068,863 without exceeding any of the approved amounts and re-entered the formulas to calculate

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the "Net Lesser of Authorized/Available" and the difference of "Actual" and "Net Lesser of Authorized/Available" to disallow expenditures above Finance's approved amounts.

Specifically, the over expenditures summarized in the table below were disallowed.

Item No.	Description	Authorized	Actual	Disallowed
2	1997A Bond	\$ 22,500	\$ 43,656	\$ 21,156
9	2005B TAB	430,887	431,106	219
15	CMB-E \$10,000,000	261,600	262,500	900
26	Woolworth Bldg	506,637	517,053	10,416
33	Litigation – Carousel Mall (Placo)	40,000	107,119	67,119
38	Long Term Property Maintenance	102,000	946,693	844,693
	Total	\$ 1,363,624	\$ 2,308,127	\$ 944,503

To the extent the Agency believes any of these over expenditures were required for enforceable obligations, they should list the item(s) on a subsequent ROPS for Finance's review and approval.

The actual allowed expenditures totals \$11,106,360 (\$11,668,640 - \$944,503 + \$382,223) and the CAC had distributed \$12,068,863, which results in an additional \$18,000 not expended on allowed items or within allowed amounts. Therefore, Finance will adjust the prior period adjustment from \$2,142,163 to \$962,503.

- During the Meet and Confer process, the Agency requested Finance to increase the amounts requested from the RPTTF for Item Nos. 21, 28, and 38 for expenditures incurred during the ROPS II period, but not approved by Finance.
 - Item No. 21 – Carousel Mall Note in the amount of \$330,000. While the ROPS 13-14B has an Item No. 21 listed, it is listed as "Intentionally Left Blank" with "None" as the payee. Therefore, Finance cannot review the amount reported as expended to determine if it is related to an enforceable obligation since there is no associated line item on the ROPS 13-14B. To the extent the Agency believes this payment was for an enforceable obligation, the Agency should list the item on a subsequent ROPS for Finance's review and approval.
 - Item No. 28 – 2006 Tax Allocation Bond Debt Service in the amount of \$651,996. The Agency provided the Debt Service Invoice and the wire transfer for this item from October 2012 in the amount of \$651,996. Finance had determined that Item No. 28 is an enforceable obligation during the initial review. Therefore, Finance will increase the amount requested for Item No. 28 on ROPS 13-14B in the amount of \$651,996.
 - Item No. 38 – Property Maintenance in the amount of \$711,485. The Agency provided an Excel spreadsheet detailing the various expenditures incurred during the ROPS II period that the Agency classified as maintenance costs totaling \$578,826. However, no information was provided indicating how these costs are associated with Agency-owned properties. Additionally, the Agency added a line item in the spreadsheet in the amount of \$213,060 as property maintenance

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related payroll without providing supporting documents to show how the costs were allocated to the Agency, what type of work was performed, and how these costs are associated with Agency-owned properties.

Finance also notes that many of the expenditures identified in the Excel spreadsheet do not appear to be costs of maintaining assets prior to disposition. For example, the items on the spreadsheet have descriptions or vendors such as Aztec Uniform Towel Rental, California Computer Options, Reynolds of San Bernardino – Installment Note and Interest, Muzak, Sweet Dreams Realty, Yellow Transportation, Southern California Edison, Sparklets Drinking Water, Verizon, USA Mobility, Konica Minolta, Wells Fargo, and Toshiba Finance Services that appear to be for general administrative costs, not property maintenance, and should be included as part of the administrative cost allowance. Therefore, Finance is denying the Agency's request to increase Item No. 38 on ROPS 13-14B.

However, to the extent the Agency believes some of the expenditures identified are enforceable obligations associated with maintaining assets prior to disposition, the Agency should list those costs on a subsequent ROPS for Finance's review and approval. If such costs are identified and listed on the ROPS, the Agency should be able to identify how these costs are associated with Agency-owned properties, as well as supporting documents showing that the properties were owned by the Agency when the expenditures were incurred.

Furthermore, although Finance has approved \$946,693 on ROPS 13-14B for maintenance of Agency properties, the Agency should be able to identify how any costs incurred are associated with Agency-owned properties, as well as supporting documents showing that the properties are currently owned by the Agency. Without these supporting documents, any costs incurred may be disallowed and added to the prior period adjustment as funds available for expenditure on a future ROPS.

Except for items denied in whole or in part as enforceable obligations or for the items that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 13-14B. The Agency's maximum approved RPTTF distribution for the reporting period is \$11,202,042 as summarized on the following page:

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Approved RPTTF Distribution Amount	
For the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	19,099,901
Total RPTTF requested for administrative obligations	572,977
Total RPTTF requested for obligations	\$ 19,672,878
Total RPTTF requested for non-administrative obligations	19,099,901
<u>Denied Items</u>	
Item No. 87	(869,691)
Item No. 88	(1,900,000)
<u>Reclassified Items - RPTTF to "Other"</u>	
Item No. 10	(43,711)
Item No. 12	(2,177)
Item No. 13	(40,360)
Item No. 82	(5,085,237)
	<u>(5,171,485)</u>
<u>Reclassified Item - RPTTF to Admin</u>	
Item No. 89	(16,610)
<u>Increase to Requested Funding</u>	
Item No. 28	651,996
Total RPTTF approved for non-administrative obligations	11,794,111
Total RPTTF allowable for administrative obligations	
(see Admin Cost Cap table below)	370,434
Total RPTTF approved for obligations	12,164,545
ROPS III prior period adjustment	(962,503)
Total RPTTF approved for distribution	\$ 11,202,042
Administrative Cost Cap Calculation	
Total RPTTF for 13-14A (July through December 2013)	17,569,239
Total RPTTF for 13-14B (January through June 2014)	11,794,111
Total RPTTF for fiscal year 2013-14	29,363,350
Allowable administrative cost for fiscal year 2013-14 (Greater of 3% or \$250,000)	880,901
Administrative allowance for 13-14A (July through December 2013)	510,467
Allowable RPTTF distribution for administrative cost for ROPS 13-14B	370,434

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. Beginning with the ROPS 13-14B period, Finance required successor agencies to identify fund balances for various types of funds in its possession. During our ROPS 13-14B review, Finance requested financial records to support the fund balances reported by the Agency; however, the Agency could not provide the financial records in time. As a result, Finance will continue to work with the Agency after the ROPS 13-14B review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15A.

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Mr. Allen Parker
December 17, 2013
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Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

[http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14B%20Forms%20by%20Successor%20Agency/).

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where funding was requested for the six month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010, exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Lisa Connor, Project Manager, San Bernardino City
Ms. Linda Santillano, Property Tax Manager, San Bernardino County
California State Controller's Office