

REGULAR MEETING

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

AGENDA

Monday, September 22, 2014 at 11:00 a.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, February 28, 2014, and March 12, 2014 Meetings 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. PUBLIC COMMENT SESSION WITH RESPECT TO THE SUCCESSOR AGENCY'S OTHER FUNDS AND ACCOUNTS DUE DILIGENCE REVIEW

Motion: That the Oversight Board conduct a public comment session with respect to the Successor Agency's Other Funds and Accounts Due Diligence Review pursuant to California Health and Safety Code § 34179.6(b)

5. SAN BERNARDINO SUCCESSOR AGENCY SOURCES & USES OF FUNDS RECONCILIATION (EXCEPT LMIHF) - JULY 1, 2012 TO JUNE 30, 2014 (Presentation - No Action Required)

6. CHANGES TO FUNDING SOURCES FOR OBLIGATIONS APPROVED BY THE DEPARTMENT OF FINANCE IN THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15A

SBOB 2014-06

RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO APPROVING CHANGES TO THE FUNDING SOURCES FOR OBLIGATIONS APPROVED BY THE DEPARTMENT OF FINANCE IN THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15A

7. RECOGNIZED OBLIGATION PAYMENT SCHEDULE FY 2014-15B

SBOB 2014-07

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 ("ROPS") 14-15B FOR THE PERIOD OF JANUARY THROUGH JUNE 2015

8. 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; and
- Successor Agency Transfer of vehicles to City for governmental purposes.

9. 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

SPECIAL MEETING

March 12, 2014  
EDA Board Room

The Special Meeting of the Oversight Board was called to order by Board Member Morris at 10:03 am, Wednesday, March 12, 2014, 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 Headrick, Morris, O'Toole, and Hill.

Absent: Board Members Macias-Harrison, Longville, and Smith

Also in attendance: Steven Dukett, Managing Principal, Urban Futures, Inc.; Kathleen Robles, Sr. Project Manager, Urban Futures, Inc.; Tom Clark, Attorney, Stradling Yocca Carlson Rauth; Teresa L. Highsmith, Attorney, Colantuono & Levin.

**2. PUBLIC COMMENTS**

There were no public comments.

**3. TRANSFER OF ALL OF THE TANGIBLE PERSONAL PROPERTY OF THE FORMER REDEVELOPMENT AGENCY TO THE CITY OF SAN BERNARDINO**

SBOB/2014-03

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

Mr. Dukett, Urban Futures stated that contact was made to the Department of Finance (DOF) regarding the transfer of personal property. Mr. Dukett stated that the DOF indicated that the matter should go through the DOF; however, the DOF has not received any similar requests.

Discussion ensued regarding the security agreement, the transfer of personal property and vehicles of the former Redevelopment Agency to the City.

Attorney Clark stated the Resolution would be amended to delete the last page of the exhibit list and that the matter be brought back to the Oversight Board with a recommendation with appropriate resolutions on the automobiles.

Board Member Headrick made a motion, seconded by Board Member O'Toole, to adopt an amended Resolution SBOB/2014-03 removing the last page of Exhibit "A" known as the Vehicles Under the Fixed Asset List and striking the word motor vehicles from the bottom of page one of the resolution.

Motion carried unanimously 4-0; Absent: Macias-Harrison, Longville, and Smith

**4. EASEMENT FOR SANTA ANA RIVER TRAIL PROJECT**

SBOB/2014-04

Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino approving a grant of a real property easement from the San Bernardino Economic Development Corporation to the Successor Agency and then from the Successor Agency to the San Bernardino County Flood Control District for public use purposes pursuant to California Health and Safety Code § 34181(a) with respect to a portion of Assessor's Parcel Numbers 0281-021-30, 0281-031-51, 0281-031-52 and 0281-041-41, requesting the California Department of Finance approve the granting of said easement on a stand-alone approval basis and approving certain related actions

Mr. Dukett summarized the staff report to the Oversight Board regarding the transfer of the easement to the County.

Board Member O'Toole noted that the date of December 20, 2012 in the staff report should be changed to December 28, 2012.

Board Member Hill made a motion, seconded by Board Member O'Toole to adopt an amended Resolution SBOB/2014-04 adding a reference to the approval letter and referencing the approval letter as an exhibit.

Motion carried unanimously 4-0; Absent: Macias-Harrison, Longville, and Smith

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

SBOB/2014-05

Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino approving the amended recognized obligation payment schedule 14-15A for the period of July through December 2014

Mr. Dukett summarized the staff report to the Oversight Board and discussion ensued regarding the changes to the ROPS 14-15A.

Board Member O'Toole made a motion, seconded by Board Member Hill to adopt Resolution SBOB/2014-05 approving the amended recognized obligation payment schedule 14-15A for the period of July through December 2014

Motion carried unanimously 4-0; Absent: Macias-Harrison, Longville, and Smith

**6. UPCOMING OVERSIGHT BOARD ITEMS/PENDING REQUIREMENTS:**

- 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 vehicles to City for governmental purposes.

No actions taken.

**7. ADJOURNMENT**

At 10:56 a.m., the Special Meeting adjourned. The next regular meeting of the Oversight Board will take place on Monday, April 14, 2014, at 11:00 a.m., in the Economic Development Agency Board Room at 201 North E Street, Suite 301, San Bernardino, California.

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

ACTION MINUTES

OVERSIGHT BOARD

For the

City of San Bernardino as Successor Agency

To the

Redevelopment Agency of the City of San Bernardino

SPECIAL MEETING

February 28, 2014

EDA Board Room

The Special Meeting of the Oversight Board was called to order by Board Member Morris at 1:07 pm, Friday, February 28, 2014, 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 Headrick, Hill, Morris, O'Toole, and Smith.

Absent: Board Members Macias-Harrison and Longville

Also in attendance: Steven Dukett, Managing Principal, Urban Futures, Inc.; Tom Clark, Attorney, Stradling Yocca Carlson Rauth, John Peukert, Assistant Superintendent, San Bernardino City Unified School District; Teresa L. Highsmith, Attorney, Colantuono & Levin.

**2. PUBLIC COMMENTS**

There were no public comments.

**3. APPROVAL OF MINUTES - DECEMBER 9, 2013**

Board Member O'Toole made a motion, seconded by Board Member Headrick 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 December 9, 2013 be approved as submitted in typewritten form as submitted.

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

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

Board Member Morris introduced Ms. Teresa L. Highsmith, Attorney with Colantuono & Levin.

Attorney Highsmith gave a brief presentation to the Oversight Board as to why the Board would need special counsel.

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 as Special Counsel for Oversight Board matters.

After a lengthy discussion, Board Member Smith made a motion to continue this item to the next meeting and request staff to seek proposals from multiple firms so that a recommendation can be developed for the Oversight Board.

Motion failed for lack of a second.

Board Member Headrick made a motion, seconded by Board Member O'Toole to adopt Resolution SBOB/2014-01 confirming its request for the appointment of Colantuono & Levin, PC as Special Counsel for Oversight Board matters.

Motion carried 4-1; Ayes: Headrick, Hill, Morris, and O'Toole; Nays: Smith  
Absent Board Member Macias-Harrison and Longville

Board Member Smith expressed his concern regarding the lack of a process taken to secure special counsel services.

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

Mr. Dukett lead the Oversight Board through the ROPS 14-15A for the period 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

After a lengthy discussion, Board Member Smith made a motion, seconded by Board Member Hill to adopt Resolution SBOB/2014-02 approving the establishment of the Recognized Obligation Payment Schedule 14-15A for the period of July through December.

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

BOARD MEMBER HEADRICK LEFT THE MEETING AT 2:51 PM

**6. DISCUSSION - DEPARTMENT OF FINANCE LETTER OF DECEMBER 17, 2013**

The discussion of the Department of Finance letter and the triage will be continued to the next Oversight Board meeting.

**7. UPCOMING OVERSIGHT BOARD ITEMS/PENDING REQUIREMENTS:**

- 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)

Discussion ensued regarding the upcoming and pending Oversight Board items with no actions being taken. It was requested that the County Easement Property Transfer be placed on the next agenda.

**8. ADJOURNMENT**

At 3:06 p.m., the Special Meeting adjourned. The next regular meeting of the Oversight Board will take place on Monday, March 10, 2014, at 11:00 a.m., in the Economic Development Agency Board Room at 201 North E Street, Suite 301, San Bernardino, California.

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

**Meeting Date:** September 22, 2014

**To:** Oversight Board Members

**From:** Lisa Connor, Oversight Board Secretary

**Subject:** San Bernardino Successor Agency Sources & Uses of Funds Reconciliation (except LMIHF) - July 1, 2012 to June 30, 2014.

---

With approval of the FY11-12 Consolidated Annual Financial Report (CAFR) in June 2014, the Successor Agency was provided for the first time an accurate and audited set of financial accounts and balances for the former SBRDA/Successor Agency as of June 30, 2012. Completion of the FY 2011-12 CAFR in June 2014 also enabled the Successor Agency to finally complete the Other Funds & Assets Due Diligence Review (OFA DDR) required by the redevelopment dissolution process.

Based on the FY11-12 CAFR and OFA DDR, and well over a thousand hours of forensic accounting, fund reconciliation, and review by the City and Successor Agency, we are pleased to be able to provide the Oversight Board an accurate financial history, account activity, and current account balances for our Successor Agency from July 1, 2012 through June 30, 2014. Staff has distilled the very detailed accounting reconciliation process into a document that is as comprehensive as possible, while still being accessible and usable for purposes of understanding accurate (but unaudited) fund/account balances of the Successor Agency as of June 30, 2014.

At the Oversight Board's meeting, staff will review the attached Successor Agency Sources & Uses of Funds Reconciliation with the board members.

San Bernardino Successor Agency Sources & Uses of Funds Reconciliation (excluding LMHIF) - July 1, 2012 to June 30, 2014

A	B	C		D	E	F	G	H	I	J	K
		Bond Proceeds		Reserve Balances	Fund Source						
Cash Balance Information											
		Bonds Issued on or before 12-31-10	Bonds Issued on or after 1-1-11	Balances Retained - Held by Bank as Collateral for Loans	Balances Retained - Held by Successor Agency for EOS	Prior ROPS RPTTF Reserved for Future	Carousel Mail Property	All Other Former RDA Properties	Misc. Income and Interest	Non-Admin and Admin	
1	Beginning Actual Cash Balance - July 1, 2012	\$36,912,220 <sup>1</sup>		\$16,937,385 <sup>2,8</sup>	\$8,665,110 <sup>3,8</sup>		(see notes) <sup>4</sup>	(see notes) <sup>5</sup>	\$416,831 <sup>6,8</sup>	\$11,165,764 <sup>7,8</sup>	
2	Revenues/Income	\$571,714 <sup>9</sup>		\$27,029 <sup>10</sup>			\$3,267,329 <sup>11</sup>	\$1,134,575 <sup>12</sup>	\$446,645 <sup>13</sup>	\$46,007,617 <sup>14</sup>	
3	Expenses/Obligations										
4	• ROPS – Debt Service on Bonds										\$37,717,956 <sup>15</sup>
5	• ROPS – Enforceable Obligations										\$2,745,143 <sup>16</sup>
6	• ROPS – Administrative Allowance										\$1,654,221 <sup>17</sup>
7	• Other – Debt Service on Bonds	\$3,501,704 <sup>18</sup>									
8	• Other – Debt Service Transferred to City	\$7,353,511 <sup>19</sup>									
9	• Other – Debt Service on Loans			\$16,250,000 <sup>20</sup>							
10	• Other – Property Maintenance				\$2,577,702 <sup>21</sup>		\$835,780 <sup>21</sup>	\$187,590 <sup>21</sup>			
11	• Other – Payment to CAC (HSC § 34183.5)										\$4,183,433 <sup>22</sup>
12	Ending Actual Cash Balance - June 30, 2014	\$26,628,718 <sup>23</sup>		\$714,413 <sup>24</sup>	\$6,087,408		\$2,431,549	\$946,985	\$863,476	\$10,872,628 <sup>25</sup>	
13	Total Available Non-RPTTF Funds in the Successor Agency - June 30, 2014						\$11,043,831 <sup>26</sup>				

NOTES:

<sup>1</sup> Debt service reserves, unspent bond proceeds, and any debt service payments on deposit with the bond trustee not yet released to bondholders as of July 1, 2012 for bond obligations of the former SBRDA. This amount reconciles with the total "Cash with Fiscal Agents" reported in the Successor Agency's Other Funds & Assets DDR (see pg. 18-19) and City's FY11-12 CAFR (see pg. 46 and 114). This amount includes \$7,353,511 in debt service reserves and unspent bond proceeds for bonded indebtedness belonging to the City of San Bernardino; a fact that was not discovered until after July 1, 2012 (see Note 19 for the adjustment).

<sup>2</sup> Funds on deposit in two accounts at Citizens Business Bank (CBB) held by CBB as collateral for two loans received by the former SBRDA, as reported on pg. 26 of the OFA DDR as "Cash & Investments" on deposit with Citizens Trust: Wealth Management Account No. 1035003146 and Certificate of Deposit Account No. 2459956614 ("CBB Collateral Accounts"). Please note the actual total amount on deposit in the two CBB Collateral Accounts on July 1, 2012 was \$18,063,240, but \$1,125,855 was LMHIF and \$16,937,385 was non-LMHIF. The \$16,937,385 in non-LMHIF is included in this Reconciliation Worksheet. The \$1,125,855 in LMHIF is not reported in this

Reconciliation Worksheet because LMHIF is not included in the "Cash & Investments" reported in the City's FY11-12 CAFR (LMHIF is reported elsewhere in the City's FY11-12 CAFR), and LMHIF is not included in the OFA DDR (LMHIF is reported to the DOF in the LMHIF DDR filed by the Successor Agency). The funds on deposit in the CBB Collateral Accounts were held as security for the following two loans from CBB to the SBRDA: (1) a loan of \$16,250,000 dated May 3, 2010, for purchase of a promissory note secured by a deed of trust on the Carousel Mall, the foreclosure of which enabled the SBRDA to acquire title to most of the Carousel Mall property (see Note 20); and (2) a loan of \$850,000, dated May 28, 2010, for construction of a new electronic freeway sign at San Bernardino Auto Center (see Note 24). Although not reported in this Reconciliation Worksheet, for purposes of explanation, the \$1,125,855 in LMHIF on deposit in the CBB Collateral Accounts was withdrawn in June 2013 for the following purposes: (1) \$997,800 to discharge the remaining LMHIF obligation to complete the property purchase and relocation of the Salvation Army at 756 W. 5<sup>th</sup> Street in San Bernardino, pursuant to the 2009 Settlement Agreement between the SBRDA and Salvation Army; (2) the balance of \$128,055 in LMHIF was set-aside to pay other qualified LMHIF obligations.

<sup>3</sup> Rents and income from all properties and programs of the former SBRDA as of July 1, 2012. Amount is derived from the \$37,185,090 in "Cash and Investments" at the Successor Agency on July 1, 2012, as reported in the Other Funds & Assets DDR (see pgs. 18-19), less \$16,937,385 in CBB Collateral Accounts (see Cell E1), less \$416,831 Misc. Income and Interest (see Cell J1), and less \$11,165,764 in RPTTF held by the Successor Agency on July 1, 2012 (see Cell K1).

<sup>4</sup> Rents and income from the Carousel Mall property as of July 1, 2012 are reported in "Balances Retained - Held by Successor Agency for EOS" (see Cell F1).

<sup>5</sup> Rents and income from all properties of the former SBRDA (except Carousel Mall) as of July 1, 2012 are reported in "Balances Retained - Held by Successor Agency EOS" (see Cell F1).

<sup>6</sup> Miscellaneous income and interest received by Successor Agency as of July 1, 2012, which includes the following amounts: PBID payment received (\$365,512), New Pine payment received (\$22,230), interest earned (\$1,976) and other miscellaneous income reported in "Cash & Investments" in the City's FY11-12 CAFR (\$27,113).

<sup>7</sup> Amount of RPTTF received by Successor Agency for the ROPS II period (July 1, 2012 to December 31, 2012).

<sup>8</sup> Total cash and investments held by the Successor Agency on July 1, 2012 was \$37,185,090 (cells E1 + F1 + J1 + K1). This amount reconciles with the total "Cash and Investments" reported in the Other Funds & Assets DDR (see pgs. 18-19).

<sup>9</sup> Interest earnings on debt service reserves, unspent bond proceeds, and any federal direct or other third-party payments received by the bond trustees from July 1, 2012 to June 30, 2014, as reported on the monthly statements from the bond trustees.

<sup>10</sup> Accrued interest on the CBB Collateral Accounts from July 1, 2012 to June 30, 2014. See Note 2 for detail on the CBB Collateral Accounts.

<sup>11</sup> Rents and income from Carousel Mall property owned by the former SBRDA from July 1, 2012 to June 30, 2014.

<sup>12</sup> Rents and income from all properties (except the Carousel Mall) owned by the former SBRDA from July 1, 2012 to June 30, 2014.

<sup>13</sup> Miscellaneous income and interest received by the Successor Agency from July 1, 2012 to June 30, 2014.

<sup>14</sup> Total RPTTF received by the Successor Agency from July 1, 2012 to June 30, 2014 for the following ROPS periods: ROPS III, ROPS 13-14A, ROPS 13-14B, and ROPS 14-15A.

<sup>15</sup> Total debt service payments on bonded indebtedness of the former SBRDA paid from RPTTF from July 1, 2012 to June 30, 2014, as authorized by the Department of Finance, for the following ROPS periods: ROPS II, ROPS III, ROPS 13-14A, and ROPS 13-14B.

<sup>16</sup> Total enforceable obligations paid from RPTTF from July 1, 2012 to June 30, 2014, as authorized by the Department of Finance, for the following ROPS periods: ROPS II, ROPS III, ROPS 13-14A, and ROPS 13-14B.

<sup>17</sup> Total administrative allowance for the Successor Agency paid from RPTTF from July 1, 2012 to June 30, 2014, as authorized by the Department of Finance, for the following ROPS periods: ROPS II, ROPS III, ROPS 13-14A, and ROPS 13-14B.

<sup>18</sup> Net amount of draws from bond debt service reserves by the bond trustee for bond debt service payments and related costs from July 1, 2012 to June 30, 2014. Amount is derived from the following amounts reported on statements from the bond trustee: (1) \$6,665,469 for bond payments made from debt service reserves by bond trustee in Oct. 2012 (\$6,012,750), Jan. 2013 (\$395,399), and May 2014 (\$257,320); (2) plus approximately \$500,000 in trustee, legal and other fees paid from debt service reserves by the bond trustee from July 1, 2012 to June 30, 2014; (3) less \$1,892,625 for debt service reserve replenishments deposited with the bond trustee in Nov. 2013 (\$1,740,698) and Jan. 2014 (\$151,927); and (4) less \$1,772,779 for funds deposited with the bond trustee for two debt service payments on July 1, 2014: 19988 Subordinated Tax Allocation Refunding Bonds (\$549,974) and 1998A Tax Allocation Refunding Bonds (\$1,222,804).

<sup>19</sup> Bond obligations of the City of San Bernardino, but reported as part of the Successor Agency's "Cash with Fiscal Agents," in the Other Funds & Assets DDR (see pgs. 18-19) and the City's 2011-12 CAFR (see pgs. 46 and 114). The determination that this indebtedness belonged to the City of San Bernardino occurred after July 1, 2012, at which time the debt service reserves and unspent proceeds associated with these bonds were transferred to the City. The appropriate audit adjustments will be made in the City's pending FY12-13 CAFR. The bond obligations transferred from the Successor Agency to the City and the amount of reserves and unspent proceeds

associated therewith, are as follows: (1) 1999 Refunding Certificates of Participation in the amount of \$5,151,052 (see, OFA DDR pgs. 20 & 23); (2) 1997A Public Facilities Lease Revenue Refunding Bonds in the amount of \$945,197 (see, OFA DDR pg. 22); and (3) 1996 Lease Revenue Refunding Bonds in the amount of \$1,257,263 (see, OFA DDR pg. 22).

<sup>20</sup> Amount withdrawn from the CBB Collateral Accounts (Wealth Management Account No. 1035003146) for full repayment of the loan made to the former SBRDA to purchase a promissory note on the Carousel Mall property (see Note 2). In late 2009, the former SBRDA began to consider consolidating the fragmented ownership of the blighted and largely vacant Carousel Mall in downtown San Bernardino after becoming frustrated in many failed attempts to work with the ownership interests to effectuate a coordinated redevelopment plan for the property. On May 10, 2010, pursuant to SBRDA Resolution 2010-25, the SBRDA acquired a \$16.45 million promissory note underlying one of the ownership interests at the Carousel Mall (approximately 500,000+ sq ft of retail space plus parking rights). To effectuate purchase of the promissory note, on May 3, 2010, the SBRDA took a loan of \$16,250,000 (Loan No. 31319) from Citizen's Business Bank (CBB) and secured/collateralized repayment of the loan with funds on deposit in CBB Wealth Management Account No. 1035003146, pursuant to a Commercial Pledge Agreement dated May 8, 2010. On August 13, 2010, because of defaults on the promissory note, the SBRDA commenced proceedings to foreclose on the underlying deed of trust on the Carousel Mall that secured the promissory note. On February 14, 2011, a trustee's sale of the Carousel Mall property was conducted at which time the SBRDA acquired title to the Carousel Mall interest by submitting a credit bid. On May 3, 2013, the Loan No. 31319 from CBB matured, with full repayment of the \$16,250,000 due and owing. With no other source of funds for repayment of Loan No. 31319, and to preserve the Successor Agency's Carousel Mall asset, CBB was directed by the Executive Director of the Successor Agency to withdraw the \$16,250,000 from Wealth Management Account No. 1035003146 for repayment of Loan No. 31319.

<sup>21</sup> Expenditures for maintenance and repairs on property of the former SBRDA between July 1, 2012 and June 30, 2014. These property maintenance expenditures were in addition to the actual property maintenance expenditures from RPTTF during ROPS II, ROPS III, ROPS 13-14A, and ROPS 13-14B. As discussed in previous meet-and-confer with the DOF, early in the RDA dissolution process, the Successor Agency had very little idea of its property maintenance needs, requirements and obligations. As such, during the first several ROPS periods when the former RDA properties were most active, the Successor Agency grossly underestimated the amounts required for upkeep and maintenance of its properties, especially properties that were in active use with numerous tenants like the Carousel Mall and California Theatre. These additional amounts of property maintenance expenditures total \$3,601,072, which is an average of \$900,268 per ROPS period.

<sup>22</sup> Payment made to San Bernardino County Auditor-Controller (CAC) pursuant to the CAC's letter of July 10, 2012 demanding a payment of \$4,183,433 from the Successor Agency in accordance with California Health & Safety Code section 34183.5(b)(2)(A). The CAC demanded payment from the Successor Agency no later than July 12, 2012. As explained in several written memorandums to the DOF and in various meet-and-confer meetings, at the time of the CAC's demand letter in July 2012, the Successor Agency was unable to determine funds available for payment of the \$4,183,433 demanded by the CAC. The reasons for this circumstance were numerous, including: the City's bankruptcy, the condition/staffing of the City's Finance Department, and the Successor Agency's good faith payment of enforceable obligations during the first five months of 2012 that were subsequently rejected by DOF on May 29, 2012. As such, to avoid severe penalties and consequences threatened by the CAC in its demand letter, the Successor Agency paid the \$4,183,433 from RPTTF, which the Department of Finance subsequently refused to recognize as an enforceable obligation, and for which a prior period adjustment was made by Department of Finance in a subsequent ROPS. If the Successor Agency had known there was a balance of \$8,665,110 in its accounts at the time of the CAC's demand in June 2012, a different decision on payment of the \$4,183,433 to the CAC would certainly have been made. However, until the City's FY11-12 audit was complete in June 2014, the Successor Agency was unaware of its true account/fund balances as of July 1, 2012. With this information now available and memorialized in the Successor Agency's OFA DDR, the Successor Agency is prepared to rectify this and other prior period adjustments, and discharge enforceable obligations with the retained balances.

<sup>23</sup> Debt service reserves, unspent bond proceeds, and any debt service payments on deposit with the bond trustee not yet released to bondholders as of June 30, 2014 for bond obligations of the former SBRDA. This amount is derived from the \$24,855,939 in debt service reserves and unspent bond proceeds as of June 30, 2014, plus \$1,772,779 in funds sent to the bond trustee for debt service payments after June 30, 2014 for the 1998A Tax Allocation Refunding Bonds and 1998B Subordinated Tax Allocation Refunding Bonds. Fund balances are subject to adjustments made in accordance with the pending FY12-14 and FY13-14 audits of the City of San Bernardino and its Successor Agency.

<sup>24</sup> Balance of funds in Certificate of Deposit Account No. 2459956614 at Citizen's Business Bank, as of June 30, 2014, held as collateral for the repayment of an \$850,000 loan by CBB to reconstruct the electronic freeway sign at the San Bernardino Auto Center. In late 2009, the auto dealers at the San Bernardino Auto Center formed a Property and Business Improvement District (PBID) to assess their properties for purposes of developing a pool of funds to provide special benefits to the auto dealerships within the PBID, including marketing efforts to enhance and support the vitality of the auto dealers and help them compete in the regional marketplace. In early 2010, the PBID approached the former SBRDA about reconstruction of the Auto Center sign. As a means of providing very affordable capital for reconstruction of the sign, the former SBRDA agreed to collateralize a loan to the PBID from CBB at very favorable rates. The PBID and associated auto dealers are the obligees on the CBB loan. On May 28, 2010, the former SBRDA executed an Assignment of Deposit Account with CBB that pledged \$850,000 as collateral for the PBID's repayment of the loan. The SBRDA collateral funds were deposited into Certificate of Deposit Account No. 2459956614 at CBB. As the PBID repays the loan, the collateral funds will be released by CBB back to the Successor Agency and be available for payment of enforceable obligations authorized by DOF.

<sup>25</sup> Total RPTTF held by the Successor Agency as of June 30, 2014, which is the sum of: (1) the \$10,533,920 of RPTTF received by the Successor Agency for ROPS 14-15A, and (2) the \$338,708 of RPTTF unspent by the Successor Agency for ROPS 13-14B (as reported on ROPS 14-15E). Fund balances are subject to adjustments made in accordance with the pending FY12-14 and FY13-14 audits of the City of San Bernardino and its Successor Agency.

<sup>26</sup> Total cash and investments in all accounts of the Successor Agency as of June 30, 2012, other than RPTTF (see Cell K2 and Note 23) and bond reserves, unspent proceeds, etc. (see Cell C12 and Note 25). Of this total, \$10,329,418 is immediately available for payment of enforceable obligations authorized by DOF. The remaining \$714,413 is held in restricted account by Citizen's Business Bank as collateral repayment of the Auto Center Sign loan (see Cell E12 and Note 24). As the Auto Center Sign loan is repaid by the third party obligees, these funds will be released by CBB and available for payment of enforceable obligations authorized by DOF. Fund balances are subject to adjustments made in accordance with the pending FY12-14 and FY13-14 audits of the City of San Bernardino and its Successor Agency.

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

**Meeting Date:** September 22, 2014

**To:** Oversight Board Members

**From:** Lisa Connor, Oversight Board Secretary

**Subject:** Changes to the Funding Sources for Obligations Approved by the Department of Finance in the Recognized Obligation Payment Schedule 14-15A

---

**RECOMMENDATION:** Adopt the attached resolution approving changes to the funding sources for obligations approved by the Department of Finance in the Recognized Obligation Payment Schedule 14-15A.

**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.

Per HSC § 34177 (l)(1), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule ("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). Pursuant to HSC § 34180 (g), Oversight Board approval is required for the establishment of each ROPS and, in that regard, has previously approved the Successor Agency's ROPS I, II, III, 13-14A, 13-14B and 14-15A. Pursuant to HSC § 34177 (a)(4) the Successor Agency may, with the prior approval of the Oversight Board, as described in HSC § 34179, make payments for enforceable obligations from sources other than those listed in a ROPS.

On December 17, 2013 and May 16, 2014, the California Department of Finance ("DOF") issued their letters authorizing funding for ROPS 13-14B and ROPS 14-15A, respectively ("DOF Authorization Letters"), copies of which are attached as Exhibits "A" and "B". The DOF Authorization Letters approved funding from the Redevelopment Property Tax Trust Fund ("RPTTF") and from Prior Period Adjustments ("PPA") from previous ROPS cycles. During the Successor Agency's September 17, 2014 "Meet and Review Meeting" with DOF staff, Successor Agency representatives informed DOF staff of the Successor Agency's intent to fund the DOF-determined PPAs from "Retained Balances" and that the first use of such funding would be applied during ROPS 14-15A consistent with the Successor Agency plan for use of RPTTF and non-RPTTF during ROPS 14-15A, a copy of which is attached as Exhibit "C".

In response to the Successor Agency's intent to fund the DOF-determined PPAs from "Retained Balances", DOF requested that the matter of using such funding to finance ROPS enforceable obligations be presented to the Oversight Board for approval pursuant to HSC § 34177 (a)(4). Approval of the attached Resolution will confirm the Oversight Board's approval of the changes to the funding sources for obligations approved by the Department of Finance in the Recognized Obligation Payment Schedule 14-15A.

**ATTACHMENTS:** Exhibits A, B, C and Resolution.

# EXHIBIT A



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

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
	<b>Total</b>	<b>\$ 1,363,624</b>	<b>\$ 2,308,127</b>	<b>\$ 944,503</b>

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

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:

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

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.

Mr. Allen Parker  
December 17, 2013  
Page 9

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

## EXHIBIT B



May 16, 2014

Mr. Allen Parker, City Manager  
City of San Bernardino  
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 April 17, 2014. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of San Bernardino Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15A) to Finance on March 12, 2014, for the period of July through December 2014. Finance issued a ROPS determination letter on April 17, 2014. 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 May 7, 2014.

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 No. 7 – 2002 Tax Allocation Bonds debt service payment in the amount of \$631,688. Finance approves this item for \$593,888. The Agency requested \$631,688 for interest due April 1, 2014. Our initial review indicated this amount was already requested during the January through June 2014 (ROPS 13-14B) period. However, according to the debt service schedule, \$593,888 is due on October 1, 2014. During the Meet and Confer, the Agency confirmed that this item should be \$593,888. Therefore, the requested Redevelopment Property Tax Trust Fund (RPTTF) funding has been adjusted by \$37,800 (\$631,688 – \$593,888).
- Item No. 10 – 2010A Recovery Zone debt service payment in the amount of \$258,875. Finance approves this item for \$150,768 from the RPTTF and \$108,107 from Other Funds. The Agency receives a "Federal Direct Payment" subsidy as other revenue pledged for debt service. Finance requested Trustee Bank statements for the Reserve Fund account to support the amounts claimed. However, Finance initially denied this item as the Agency was unable to provide documentation to support the amounts claimed. During the Meet and Confer process, the Agency provided the methodology used to estimate the subsidy to be received for the October 2014 payment. Based on the calculation, \$108,107 should be available towards the payment. Therefore, this item is eligible for \$150,768 from the RPTTF and \$108,107 from Other Funds.

- Item Nos. 12, 13, 99 and 100 – 1995H Highland Lutheran SR Housing and 1995R Casa Ramona SR Housing bonds debt service payments totaling \$174,812. Finance approves \$40,486 from RPTTF and \$1,452 from Other Funds for Item No. 12, \$7,024 from RPTTF and \$31,170 from Other Funds for Item No. 13, \$58,307 from RPTTF for Item No. 99, and \$15,691 for Item No. 100.

Finance initially denied Item Nos. 12 and 13 because it was our understanding other revenue is received monthly from third parties to cover the payments. During the Meet and Confer process, the Agency provided the methodologies used to estimate the revenues that would be applied to the payments. Although the Agency continues to provide only a summary of account activity and still has not provided copies of the bond fiscal statements to support the current balances, Finance will accept the Agency's methodologies for estimating revenues for the ROPS 14-15A period. Therefore, Item No. 12 is approved for \$40,486 from RPTTF and \$1,452 is reclassified to Other Funds and Item No. 13 is approved for \$7,024 from RPTTF and \$31,170 is reclassified to Other Funds.

Finance initially denied the amounts requested for Item Nos. 99 and 100 because the Agency was unable to provide documentation to support the amount that was held in the Revenue Fund and Trustee invoices supporting the credit of \$2,902 and \$59,953 applied towards the items. During the Meet and Confer process for the ROPS 13-14B period, the Agency contended that 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 the Bond Indenture, Section 5.02, 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. During the Meet and Confer process for ROPS 14-15A, the Agency provided the invoices for the payments of these items for the ROPS 13-14B period. Based on the invoices provided, the Agency's share of the payments is \$100,355 and \$15,691, respectively. During the ROPS 13-14B review, Finance approved and the Agency received \$42,048 and \$0, respectively, from the RPTTF. Therefore, Finance approves \$58,307 and \$15,691, respectively, from the RPTTF on ROPS 14-15A to cover the shortage in funds needed.

- Item No. 38 – Long Term Property Maintenance costs in the amount of \$11,500,000. Finance no longer denies this item. Finance initially denied this item because the Agency was unable to provide documentation to support the amounts claimed. During the Meet and Confer process, the Agency provided a budget detailing the categories of costs to be incurred by the various types of Agency-owned properties. Therefore, Finance is approving this item for RPTTF funding; however, to the extent any revenues generated on the properties are available for the estimated costs, those funds should be used prior to using RPTTF. The Agency can obtain approval from the Oversight Board to change the funding source for this item pursuant to HSC section 34177 (a) (4) if Other Funds do become available.

When reporting the actual expenditures incurred on the ROPS 15-16A form, the Agency should be able to identify how the 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.

Finance notes this item contains more than one contract and more than one payee. On future ROPS, the Agency should list each contract as a separate obligation with its own item number and list them in sequential order. Pursuant to HSC section 34177 (m) (1), the Agency is required to complete the ROPS in a manner provided by Finance.

- Item No. 82 – Debt Service Reserve Fund (DSRF) Replenishment in the amount of \$4,849,838. The Agency requests funds needed to replenish the DSRF to the required balances for Item Nos. 3, 4, 6 through 11, and 28. Finance continues to reclassify the funding source of this item to “Other Funds” as stated in the ROPS 13-14B Meet and Confer determination letter dated December 17, 2013.

During the July through December 2013 period (ROPS 13-14A) Finance approved \$6,408,144 in RPTTF funding for this item. 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.

Through an email dated April 4, 2014, the Agency contends that the ROPS II PPA was spent on other obligations; therefore, it is impossible to fund the DSRF with a funds that do not exist because the Agency has cash-flow problems.

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 direct 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.

During the Meet and Confer process, the Agency continued to object to Finance’s determination; however, no additional information or documents were provided. Therefore, this item is not eligible for RPTTF funding; the funding source is being reclassified to “Other Funds”.

- Item No. 85 – Unfunded Prior-Year Pass-Through Payment Obligations in the amount of \$2,644,578. Finance continues to deny additional funding for this item. The Agency requested funding for unfunded prior year pass-through payment obligations payable to

the San Bernardino Municipal Water District (SBVMWD). For ROPS 13-14B, Finance approved \$12,164,545 in enforceable obligations to be funded from the RPTTF and the San Bernardino County Auditor-Controller distributed \$11,202,042 from the RPTTF with \$962,503 in a prior period adjustment; therefore, the Agency received all funds approved on ROPS 13-14B. Furthermore, Finance approved \$2,644,578 in RPTTF funding for this item in ROPS 13-14B; therefore, funds should be available to make the payment.

The Agency contends that the item was unfunded because the funds allocated for the obligation were used to pay for the principal reduction portion of the 1998A, 1998B, and 2006 TABs that was inadvertently not requested on the ROPS 13-14B submitted to Finance. The funds were also used to pay for the debt service shortfall for the 1995H and 1995R Bonds. The Agency's unfunded amounts for these bonds have been included on ROPS 14-15A under Item Nos. 97 through 101. Finance has approved the shortfall for debt service for Item Nos. 97 through 101; therefore, the Agency cannot also request to fund the unfunded pass-through payments. Therefore, this item is not eligible for additional RPTTF funding.

- Item No. 87 – Carousel Mall Past Due Property Tax in the amount of \$869,691. Finance continues to deny this item. The amount consists of past due property taxes for nine parcels for tax years 2009, 2010, and 2012. The Agency acquired the property through a Purchase Money Note dated May 3, 2010, when the former owner defaulted.

Based on review of the County of San Bernardino Treasurer-Tax Collector's website during the ROPS 13-14B Meet and Confer process, it was determined that 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, who then transferred the properties back to Carousel Mall LLC in December 2011. As of April 14, 2014, according to the Tax Collector's website, these properties are still in the name of Carousel Mall. Additionally, it appears the first payment for tax year 2009 was paid, and a refund issued to SBEDC for the second installment.

Finance approved OB Resolution No. SBOB/2013-04 approving the acceptance by the Agency of the transfer of the assets from SBEDC back to the Agency through a determination letter dated March 13, 2014. At this point, it is not clear whether or not SBEDC holds title to the properties to affect a transfer back to the Agency, nor is it clear what amount, if any, is due for past due property taxes.

During the Meet and Confer process, the Agency continued to object to Finance's determination; however, no additional information or documents were provided. Therefore, this item is not an enforceable obligation and is not eligible for RPTTF funding.

- Item Nos. 90 to 93 – Discounted Settlement of Lawsuits to foreclosure mechanics liens against former RDA properties totaling \$2,309,000 funded by "Other" funds. 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. Finance denied these items as it was our understanding that 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. Additionally, Finance denied the transfer of liabilities related to these properties through a determination letter dated March 13, 2014 for OB Resolution No. SBOB/2013-04.

During the Meet and Confer process, the Agency continued to object to Finance's determination; however, no additional information or documents were provided. Therefore, these items are not enforceable obligations and are not eligible for "Other Funds."

- Item Nos. 94, 95, 113 and 114 – Unfunded Prior-Year Pass-Through Obligations totaling \$2,940,241. Finance no longer denies Item No. 94; however, Finance continues to deny Item Nos. 95, 113, and 114. During our initial review, the Agency provided demand letters from Rialto Unified School District (RUSD), San Bernardino City Unified School District, San Bernardino County Superintendent of Schools, and San Bernardino Community College District that requested payments of underfunded pass-throughs for fiscal years 2008-09 through 2010-11 based on a Los Angeles Unified School District (LAUSD) court decision. However, Finance denied these items because the Agency is not named as a party to the court decision and has not shown that the requested payments are binding.

During the Meet and Confer process, RUSD contended that Item No. 94 is not related to the calculations of the AB 1290 pass-throughs based on the LAUSD court decision. RUSD clarified that this item is related to unpaid amounts and miscalculations in fiscal years 2007-08 through 2010-11 under a contractual pass-through agreement between the former RDA and RUSD dated July 25, 1990. Based on a review of the 1990 Agreement and other documents provided to support the calculations and payments made, Finance approves this item for payment from RPTTF funding.

During the Meet and Confer process, the San Bernardino City Unified School District, San Bernardino County Superintendent of Schools, and San Bernardino Community College District contended that the demand letters for Item Nos. 95, 113, and 114 for underfunded AB 1290 pass-throughs are enforceable obligations. However, as previously stated, these demands are based on a LAUSD court decision and the Agency was not a named party. Therefore, these items are not enforceable obligations and are not eligible for RPTTF funding.

- Item Nos. 102 through 107 – Various obligations to correct a Prior Period Adjustment error totaling \$944,503. Finance no longer denies Item Nos. 102 through 106; however, Finance continues to deny Item No. 107 at this time. Finance initially denied the items summarized below because the Agency did not provide documentation to support the items claimed:

ROPS 14-15A Item No.	ROPS III PPA Item No.	Description	Authorized	Actual	Disallowed
102	2	1997A Bond	\$22,500	\$43,656	\$21,156
103	9	2005B TAB	430,887	431,106	219
104	15	CMB-E \$10,000,000	261,600	262,500	900
105	26	Woolworth Bldg	506,637	517,053	10,416
106	33	Litigation – Carousel Mall (Placo)	40,000	107,119	67,119
107	38	Long Term Property Maintenance	102,000	946,693	844,693
		Total	\$1,363,624	\$2,308,127	\$944,503

During the Meet and Confer process the Agency provided invoices and checks showing the actual payments made for the following items in the following amounts:

- Item No. 103 – \$431,106 was paid; therefore, the additional \$219 is approved.
- Item No. 104 – \$262,500 was paid; therefore, the additional \$900 is approved.
- Item No. 105 – \$514,970 was paid; therefore, an additional \$8,333 is approved and the remaining \$2,083 continues to be denied.
- Item No. 106 – \$107,119 was paid; therefore, the additional \$67,119 is approved.

For Item No. 102, the Agency stated that the prior period adjustment in the amount of \$21,156 is correct and no additional funds are needed.

For Item No. 107, the Agency provided a list of all Agency-owned properties and a document detailing the various expenditures incurred during the ROPS III period that the Agency classified as maintenance costs totaling \$966,755. However, information was not provided indicating how the detailed costs are associated with the Agency-owned properties. The Agency indicated they are in the processing of completing a bridging document linking the property maintenance expenditures to the specific properties. Therefore, Finance will approve this item for funding and continue working the Agency on the review of the specific expenditures incurred. However, any costs incurred, but not associated with the maintenance of Agency-owned properties may be disallowed and added to the prior period adjustment as funds available for expenditure on a future ROPS.

- Claimed administrative costs exceed the allowance by \$344,523. HSC section 34171 (b) limits the fiscal year 2014-2015 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. Although \$821,984 is claimed for administrative cost, only \$477,461 is available pursuant to the cap. Therefore, \$344,523 of excess administrative cost is not allowed.
- Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2013 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

During the Meet and Confer process, the Agency objected to the prior period adjustment amount; however, no additional information or documents were provided. Therefore, no change is being made to the prior period adjustment.

Except for the 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 14-15A. The Agency's maximum approved RPTTF distribution for the reporting period is \$10,533,920 as summarized below:

<b>Approved RPTTF Distribution</b>	
<b>For the period of July through December 2014</b>	
Total RPTTF requested for non-administrative obligations	27,399,459
Total RPTTF requested for administrative obligations	821,984
<b>Total RPTTF requested for obligations</b>	<b>\$ 28,221,443</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>27,399,459</b>
<u>Denied Item</u>	
Item No. 7	(37,800)
Item No. 85	(2,644,578)
Item No. 87	(869,691)
Item No. 95	(2,223,398)
Item No. 99	(967)
Item No. 100	(19,715)
Item No. 102	(21,156)
Item No. 105	(2,083)
Item No. 113	(81,700)
Item No. 114	(592,431)
	<u>(6,493,519)</u>
<u>Reclassified Item</u>	
Item No. 82	(4,849,838)
Item No. 10	(108,107)
Item No. 12	(1,452)
Item No. 13	(31,170)
	<u>(4,990,567)</u>
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 15,915,373</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>821,984</b>
Administrative costs in excess of the cap (see Admin Cost Cap table below)	(344,523)
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 477,461</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 16,392,834</b>
ROPS 13-14A prior period adjustment	(5,858,914)
<b>Total RPTTF approved for distribution</b>	<b>\$ 10,533,920</b>

<b>Administrative Cost Cap Calculation</b>	
Total RPTTF authorized for non-administrative obligations	15,915,373
Percent allowed pursuant to HSC section 34171 (b)	3%
<b>Total RPTTF allowable for administrative obligations</b>	<b>477,461</b>
Total RPTTF administrative obligations after Finance adjustments	821,984
<b>Administrative costs in excess of the cap</b>	<b>\$ (344,523)</b>

Mr. Allen Parker  
May 16, 2014  
Page 8

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. During the ROPS 14-15A review, Finance requested financial records to support the fund balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 14-15A 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 14-15B.

Please refer to the ROPS 14-15A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2014. This determination only applies 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 Sues, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

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

# EXHIBIT C

Successor Agency Plan for Use of RPTTF and Non-RPTTF During ROPS 14-15A  
 Showing RPTTF Obligations (Requests, Approvals, Use Plan) and Use of Other Funds

Dated: 9/17/2009

EO #	Obligation	Funding Priority	RPTTF ROPS Request	RPTTF DOF Approved	RPTTF Proposed Use Plan	Use of Other Funds
3	1998A TABs	1	\$ 207,144	\$ 207,144	\$ 207,144	\$ -
4	1998B TABs	1	125,588	125,588	125,588	-
6	2002A TABs	1	172,975	172,975	172,975	-
7	2002 TABs	1	631,688	593,888	593,888	-
8	2005A TABs	1	4,023,753	4,023,753	666,148	3,357,605
9	2005B TABs	1	1,540,393	1,540,393	1,540,393	-
10	2010A BABs	1	258,875	150,768	150,768	108,107 (see Note 2)
11	2010B TABs	1	86,800	86,800	86,800	-
12	1995H Bonds	1	41,938	40,486	40,486	1,452 (see Note 2)
13	1995R Bonds	1	38,194	7,024	7,024	31,170 (see Note 2)
14	EB-5 Notes (\$15M)	1	393,750	393,750	393,750	-
15	EB-5 Notes (\$10M)	1	262,500	262,500	262,500	-
16	EB-5 Notes (\$8M)	1	210,000	210,000	210,000	-
17	Sec. 108 Bonds (Cinema)	1	590,290	590,290	590,290	-
18	Sec. 108 Bonds (A-G))	4	-	-	-	-
19	Hillwood Tax Sharing Agr.	3	245,439	245,439	245,439	-
20	BP Cal Tax Sharing Agr.	3	95,127	95,127	95,127	-
24	Waterman Tax Sharing Agr.	3	11,052	11,052	11,052	-
28	2005 TABs (Housing)	1	571,559	571,559	571,559	-
30	PERs Unfunded Liability	4	-	-	-	-
31	Retiree Health	3	14,850	14,850	14,850	-
32	SA Administration	2	821,984	477,461	477,461	-
33	Litigation (Placo)	3	283	283	283	-
34	Litigation (Peart)	3	9,085	9,085	9,085	-
36	Litigation (Glen Aire MHP)	3	23,357	23,357	12,410	10,947
38	Property Maintenance	2	1,385,200	1,385,200	-	1,385,200
41	Auto Mall Reader Board	4	-	-	-	-
82	DSRF Replenishments	6	4,849,838	-	-	-
84	Securities Servicing	1	71,089	71,089	71,089	-
85	SBVMWD Pass Thru Pmt.	6	2,644,578	-	-	-
87	Mall Property Taxes	6	869,691	-	-	-
94	RUSD Past Pass-Thru Pmt.	3	42,742	42,742	42,742	-
95	SB City USD Pass Thru Pmt.	6	2,223,398	-	-	-
96	1999 COPS Reimbursement	3	1,139,588	1,139,588	965,500	174,088
97	1998A TABs PPA Correction	5	985,000	-	985,000	-
98	1998B TABs PPA Correction	5	420,000	420,000	420,000	-
99	1995H Bonds PPA Correction	5	59,274	58,307	58,307	-
100	1995R Bonds PPA Correction	5	35,406	15,691	15,691	-
101	2006 TABs PPA Correction	5	1,470,000	1,470,000	1,470,000	-
102	1997A TABs PPA Correction	5	21,156	-	-	-
103	2005B TABs PPA Correction	5	219	219	(see Note 1)	-
104	CMB Export PPA Correction	5	900	900	(see Note 1)	-
105	Woolworth Bldg. PPA Corr.	5	10,416	8,333	(see Note 1)	-
106	Litigation PPA Correction	5	67,119	67,119	(see Note 1)	-
107	LTPM PPA Correction	5	844,503	844,503	(see Note 1)	-
108	Neighborhood Housing	3	17,238	17,238	17,238	-
109	2005A TABs PPA Correction	5	711	711	711	-
110	2005B TABs PPA Correction	5	1,721	1,721	1,721	-
111	1995R Bonds PPA Correction	5	1	1	1	-
112	CMB Export PPA Correction	3	900	900	900	-
113	SBCSS Pass Thru Pmt.	6	81,700	-	-	-
114	SBCCD Pass Thru Pmt.	6	592,431	-	-	-
115	Anticipated Litigation	3	10,000	10,000	-	-
TOTAL of EOs			28,221,443	16,392,834	10,533,920	5,068,569 Total
RPTTF Received for ROPS 14-15A				10,533,920	\$ 4,927,840	(140,729) 3P Payments
Other Funds from Balances Retained to be Applied in ROPS 14-15A				5,858,914		"Other Funds" to be provided from Successor Agency Retained Balance

NOTE 1: Payment of obligation was made during ROPS II period. Listing on ROPS 14-15A was for purposes of obtaining DOF of the payment already made. Thus, no funds required in ROPS 14-15A.

NOTE 2: "Other Funds" identified to be used in the payment of these ROPS items are payments from third parties made directly to the bond trustee or bank, and are not funds of the Successor Agency.

Priorities

- 1 = Debt Service or Debt Service Related
- 2 = Administration
- 3 = Enforceable Obligation
- 4 = No Payment Due During ROPS 14-15A (See Notes)
- 5 = Correction of Funding Deficiency During ROPS 13-14B
- 6 = Denied by DOF

**RESOLUTION NO. SBOB/2014-06**

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO APPROVING CHANGES TO THE FUNDING SOURCES FOR OBLIGATIONS APPROVED BY THE DEPARTMENT OF FINANCE IN THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15A**

**WHEREAS**, pursuant to HSC § 34177(a)(4), the Successor Agency to the Redevelopment Agency of the City of San Bernardino ("Successor Agency") may, with the prior approval of the Oversight Board, as described in HSC § 34179, make payments for enforceable obligations from sources other than those listed in a Recognized Obligation Payment Schedule ("ROPS");

**WHEREAS**, on May 16, 2014, the California Department of Finance ("DOF") approved the Successor Agency's ROPS 14-15A, which identified the approved sources and uses of funds for the ROPS 14-15A period;

**WHEREAS**, with completion of the Other Funds and Assets Due Diligence Review, the Successor Agency has determined there are funds available from the retained balances being held by the Successor Agency, which can now be applied towards the payment of enforceable obligations approved by DOF in ROPS 14-15A; 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 ("Oversight Board"), as follows:

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

**Section 2.** The Oversight Board hereby approves the following changes to the Funding Source for the following enforceable obligations approved in ROPS 14-15A:

ROPS No.	Description	Funding Source	
		Reserve Balance	RPTTF
8	2002 TABs	\$3,357,605	\$666,148
36	Litigation - Glen Aire MHP Corp	\$10,947	\$12,410
38	Property Maintenance	\$1,385,200	\$0
96	1999 COPs Reimbursement	\$965,500	\$174,088

**Section 3.** This Resolution shall take effect upon the date of its adoption and may be implemented after review and approval by the Department of Finance.

///

///

1 **RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO**  
 2 **THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO**  
 3 **APPROVING CHANGES TO THE FUNDING SOURCES FOR OBLIGATIONS**  
 4 **APPROVED BY THE DEPARTMENT OF FINANCE IN THE RECOGNIZED**  
 5 **OBLIGATION PAYMENT SCHEDULE 14-15A**

6 PASSED, APPROVED AND ADOPTED THIS 22<sup>nd</sup> day of September 2014, by the  
 7 following vote:

Board Members	Ayes	Nays	Abstain	Absent
HEADRICK				
HILL				
LONGVILLE				
MACIAS-HARRISON				
MORRIS				
O'TOOLE				
SMITH				

14  
 15 \_\_\_\_\_  
 16 Secretary

17 The foregoing Resolution is hereby approved this 22<sup>nd</sup> day of September, 2014.

18  
 19  
 20  
 21 \_\_\_\_\_  
 22 James P. Morris, Chairman  
 23 Oversight Board for the  
 24 Successor Agency to the Redevelopment  
 25 Agency of the City of San Bernardino  
 26  
 27  
 28



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

**Meeting Date:** September 22, 2014

**To:** Oversight Board Members

**From:** Lisa Connor, Oversight Board Secretary

**Subject:** Recognized Obligation Payment Schedule 14-15B (January through June 2015)

---

**RECOMMENDATION:** Adopt the attached resolution approving the establishment of the Recognized Obligation Payment Schedule ("ROPS") 14-15B for the period of January through June 2015

**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.

Per HSC § 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 14-15B, which consists of several spreadsheets, is appended to the attached Resolution as Exhibit "A". Pursuant to HSC § 34177 (m), an Oversight Board-approved ROPS 14-15B 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 HSC § 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 14-15B will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations.

**ATTACHMENTS:** Resolution.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**RESOLUTION NO. SBOB/2014-07**

**RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15B FOR THE PERIOD OF JANUARY THROUGH JUNE 2015**

**WHEREAS**, pursuant to Health and Safety Code (the “HSC”) § 34172 (a)(1), the Redevelopment Agency of the City of San Bernardino was dissolved February 1, 2012; and

**WHEREAS**, consistent with the provisions of the HSC, the Mayor and Common Council of the City of San Bernardino previously elected to serve in the capacity of the Successor Agency to the Redevelopment Agency of the City of San Bernardino (the “Successor Agency”); and

**WHEREAS**, the Oversight Board for the Successor Agency (“Oversight Board”) has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

**WHEREAS**, per HSC § 34177 (l)(1), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (“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**, pursuant to HSC § 34180 (g), Oversight Board approval is required for the establishment of each ROPS; and

**WHEREAS**, pursuant to HSC § 34177 (m), an Oversight Board-approved ROPS 14-15B for the period of January through June 2015 must be submitted to the County Auditor-Controller, County Administrative Officer, the State Controller and the State Department of Finance not later than October 3, 2014; and

**WHEREAS**, pursuant to HSC § 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 14-15B will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations; and

**WHEREAS**, it is proposed that the Oversight Board approve the establishment of the Successor Agency’s ROPS 14-15B, which is attached hereto as Exhibit “A”; 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:



1 **RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO**  
 2 **THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO**  
 3 **APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15B FOR**  
 4 **THE PERIOD OF JANUARY THROUGH JUNE 2015**

5 PASSED, APPROVED AND ADOPTED THIS 22<sup>nd</sup> day of September 2014, by the  
 6 following vote:

7 <u>Board Members</u>	<u>Ayes</u>	<u>Nays</u>	<u>Abstain</u>	<u>Absent</u>
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 22<sup>nd</sup> day of September, 2014.

21 \_\_\_\_\_  
 22 James P. Morris, Chairman  
 23 Oversight Board for the  
 24 Successor Agency to the Redevelopment  
 25 Agency of the City of San Bernardino  
 26  
 27  
 28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
OF THE CITY OF SAN BERNARDINO  
AMENDED  
RECONGNIZED OBLIGATION PAYMENT SCHEDULE 14-15B  
(January through June 2015)**

**(See Attachment)**

**Recognized Obligation Payment Schedule (ROPS 14-15B) - Summary**  
 Filed for the January 1, 2015 through June 30, 2015 Period

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

<b>Current Period Requested Funding for Outstanding Debt or Obligation</b>		<b>Six-Month Total</b>
<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPPTF) Funding</b>		
<b>A Sources (B+C+D):</b>		<b>\$ 1,399,115</b>
B Bond Proceeds Funding (ROPS Detail)		-
C Reserve Balance Funding (ROPS Detail)		-
D Other Funding (ROPS Detail)		1,399,115
<b>E Enforceable Obligations Funded with RPPTF Funding (F+G):</b>		<b>\$ 20,590,358</b>
F Non-Administrative Costs (ROPS Detail)		19,990,638
G Administrative Costs (ROPS Detail)		599,720
<b>H Current Period Enforceable Obligations (A+E):</b>		<b>\$ 21,989,473</b>

<b>Successor Agency Self-Reported Prior Period Adjustment to Current Period RPPTF Requested Funding</b>		
<b>I Enforceable Obligations funded with RPPTF (E):</b>		<b>20,590,358</b>
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)		<b>(338,708)</b>
<b>K Adjusted Current Period RPPTF Requested Funding (I-J)</b>		<b>\$ 20,251,650</b>

<b>County Auditor Controller Reported Prior Period Adjustment to Current Period RPPTF Requested Funding</b>		
<b>L Enforceable Obligations funded with RPPTF (E):</b>		<b>20,590,358</b>
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)		-
<b>N Adjusted Current Period RPPTF Requested Funding (L-M)</b>		<b>20,590,358</b>

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 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										L		M		N		O
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 248,927,620	Retired	Non-Redevelopment Property Tax Trust Fund		Funding Source		Non-Admin	Admin	Six-Month Total
										Bond Proceeds	Reserve Balance	Other Funds	RPTTF			
3	1998A TABS	Bonds Issued On or Before 12/31/10	3/21/1998	7/1/2020	US Bank	Central City RDA Branch	MCC	\$ 4,707,499	N							1,247,144
4	1998B TABS	Bonds Issued On or Before 12/31/10	3/21/1998	7/1/2020	US Bank	Central City RDA Projects	MCC	4,707,499	N							598,250
6	2002A TABS	Bonds Issued On or Before 12/31/10	3/4/2002	2/1/2031	US Bank	IM Vernon Project Area	MTV	4,823,665	N							85,425
7	2002 TABS	Bonds Issued On or Before 12/31/10	11/19/2001	4/1/2028	US Bank	SC, CCN, SEIP, NW, TRI, UP and SV Projects	SC, CCN, SEIP, NW, TRI, UP and SV	26,638,934	N							1,928,888
8	2003A 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 and SV	49,259,514	N							984,220
9	2003B 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 and SV	18,332,319	N							367,091
10	2010A RECOVERY ZONE	Bonds Issued On or Before 12/31/10	12/6/2010	4/1/2030	US Bank	Recovery Zone Projects	SC, CCN, SEIP, NW, TRI, UP and SV	11,505,574	N							458,875
11	2010B TABS	Bonds Issued On or Before 12/31/10	12/6/2010	4/1/2028	US Bank	Northwest Project Area	CCN, MCC, NW	4,352,710	N							236,800
12	1998H 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	1,672,109	N							106,938
13	1998R 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	1,544,782	N							98,194
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	15,781,500	N							393,750
15	CMB-Export \$10,000,000 Notes	Third-Party Loans	3/8/2011	12/1/2017	CMB Export Infrastructure Group	Various construction projects per agreement	CCE, CCS, CCN, MCG	11,575,000	N							262,500
16	CMB-Export \$8,000,000 Notes	Third-Party Loans	9/1/2010	10/1/2016	CMB Export Infrastructure Group	Various construction projects per agreement	IVDA	8,940,000	N							210,000
17	Cinema Section 108 Bonds	Bonds Issued On or Before 12/31/10	6/15/1988	8/1/2018	Bank of New York	Cinema Star Project	CCN, MCC, NW	3,033,296	N							81,283
18	Adgen-Quintre Sec. 108 Bonds	Bonds Issued On or Before 12/31/10	7/28/2006	9/7/2025	Bank of New York	North Adgen-Quintre Project - Subordinate Credit to CDBS	IVDA	111	N							-
19	Hillwood-DDA T1 Reimbursement	OPFADDA/Construct	9/18/2006	4/21/2021	Hillwood Properties	Subordinate Credit to CDBS	SC	3,001,561	N							-
20	BP CA - Site Remediation	OPFADDA/Construct	10/7/2002	9/30/2018	BP CA	Facility Tax Sharing Agreement - Warehouse	TRI	789,935	N							95,129
21	SB County Bldg. - TADS	OPFADDA/Construct	8/16/2004	2/2/2020	Waterman Holdings	Tax Sharing Agreement - New Construction	CCE	317,106	N							-
22	2006 TABS	Bonds Issued On or Before 12/31/10	3/20/2006	5/1/2027	US Bank	LMHF Project/Programs	CCN	26,261,494	N							2,126,559
23	PERCS - Unfunded Pension Liability	Unfunded Liabilities	9/30/2010	8/10/2045	CallERS	Est. Unfunded Pension Balance as of 6/30/2010	ALL	111	N							-
31	Retiree Health Benefit	Miscellaneous	6/23/2005	8/10/2045	Various Employees	Retiree Supplemental Health Benefit per Agency Policy	ALL	5,209,915	N							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	7,872,000	N							599,720
33	Litigation - Carquest Mall (Pinedale)	Litigation	9/7/2011	4/1/2030	Lewis Brubois	Legal representation for litigation	MCC	1	Y							-
34	Litigation - Keatn v. City of San Bernardino	Litigation	5/20/2011	4/1/2030	Lewis Brubois	Legal representation for litigation	ALL	1	Y							-
36	Litigation - Clean Air MHP Corp	Litigation	3/5/2012	4/1/2030	Enderman Lincoln Turk	Lawsuit - Clean Air MHP Corp et al	City, IVDA	1	Y							-
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	6,750,000	N							1,250,000
41	Auto Plaza - Resale Board	OPFADDA/Construct	9/17/2010	4/1/2030	Citizens Business Bank	Loan Guarantee Only	SEIP	1	N							-
82	HSC 34171 (9)(1)(A) Reserve	Bonds Issued On or Before 12/31/10	3/21/1998	4/1/2030	US Bank	Replacement of DSR Draws	ALL	4,849,838	N							-
84	Securities Servicing	Fees	3/21/1998	4/1/2030	US Bank	Securities Servicing of all Bonds	ALL	924,157	N							71,069
85	Unfunded Prior-Year Pass-Through Payment Obligations	Miscellaneous	7/1/2009	4/1/2030	SBWAWO	Unfunded Prior-Year Pass-Through Payment Obligations	ALL	1	Y							-

**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K		L		M		N	O	P
										Non-Redevelopment Property Tax Trust Fund	RPTTF	Reserve Balance	Other Funds	Non-Admin	Admin			
87	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			
87	Sanjour Mill Park Debt Prog. Tax	Miscellaneous	7/1/2010	4/1/2030	95 County Tax Collector	Prop. taxes assumed of Redevelopment Agency	ALL	625,031	N						625,031			
88	ACQA Limited Partnership Purchase Agency Note	Third-Party Loans	9/19/2011	6/1/2012	ACQA Limited Partnership	ACQA Limited Partnership Purchase	ALL	1	N						1			
90	Discarded redemption 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 Allien Mechanical	Settlement of Case # CIV/DS1210338	ALL	1	N						1			
91	Discarded settlement of lawsuit to foreclose mechanics lien against former RDA property	GFRA/DPA/Contracted	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 # CIV/DS1210338	ALL	1	N						1			
92	Discarded judgment of lawsuit to foreclose mechanics lien against former RDA property	GFRA/DPA/Contracted	3/3/2011	4/1/2030	San Bernardino Economic Development Corp. for payments to L. A. Engineering, Inc.	Settlement of Case # CIV/DS1210197	ALL	1	N						1			
93	Discarded 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 Braughen Const., Inc.	Settlement of Case # CIV/DS1210288	ALL	1	N						1			
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	ALL	1	Y						1			
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	2,223,396	N						2,223,396			
96	Reimbursement Agreement for Debt Service on 1999 CDPs	Bonds Issued On or Before 12/31/10	9/29/1999	9/1/2024	US Bank	Reimbursement for Debt Service for 1999 CDPs (201 Bldg. & South Valle)	ALL	6,439,559	N						6,439,559			
97	1998A TABs	Bonds Issued On or Before 12/31/10	3/21/1998	7/1/2020	US Bank	Addition of Principal reduction payment for ROPS 13-14B	ALL	1	Y						1			
98	1998B TABs	Bonds Issued On or Before 12/31/10	3/21/1998	7/1/2020	US Bank	Addition of Principal reduction payment for ROPS 13-14B	ALL	1	Y						1			
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	ALL	1	Y						1			
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	ALL	1	Y						1			
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	ALL	1	Y						1			
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	ALL	1	Y						1			
103	2005A 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	ALL	1	Y						1			
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	ALL	1	Y						1			
105	Woolworth Bldg.	Third-Party Loans	8/1/2006	1/1/2013	Regonda San Bernardino	Correct error in DOF's ROPS II PPA for EO #26	ALL	1	Y						1			
106	Litigation - Garwood Mill (Phase)	Litigation	9/7/2011	4/1/2030	Levee Baraboo	Correct error in DOF's ROPS II PPA for EO #33	ALL	1	Y						1			
107	Lang Term Property Maintenance	Property Maintenance	6/28/2011	8/1/2045	Various Vendors	Correct error in DOF's ROPS II PPA for EO #38	ALL	1	Y						1			
108	Neighborhood Housing Services, Inc. Unpaid ROPS I Invoice	Unfunded Liabilities	8/1/2010	6/30/2013	Neighborhood Housing Services, Inc.	Payment for Housing Program Expenses During ROPS I That Were Not Paid and Discovers by Audit	ALL	1	Y						1			
109	2005A TABs Interest ROPS 13-14A	Miscellaneous	9/22/2005	10/1/2025	US Bank	Correction of budget estimate error in ROPS 13-14A for interest due	ALL	1	Y						1			
110	2005B TABs Interest ROPS 13-14A	Miscellaneous	9/22/2005	10/1/2025	US Bank	Correction of budget estimate error in ROPS 13-14A for interest due	ALL	1	Y						1			
111	1995R Bonds Interest ROPS 13-14A	Miscellaneous	6/19/1995	7/1/2025	US Bank	Correction of budget estimate error in ROPS 13-14A for interest due	ALL	1	Y						1			

**Recognized Obligation Payment Schedule (ROPS 14-15B) - ROPS Detail**  
**January 1, 2015 through June 30, 2015**  
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K				P
										L		M	N	
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	Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)		Funding Source		Six-Month Total
										Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	
112	CMB-Export \$10,000,000 Note Interest ROPS 13-14A	Third-Party Loans	3/3/2011	12/1/2017	CMB Export Infrastructure Group	Correction of budget estimate error in ROPS 13-14A for interest due	ALL	81,700	N				81,700	
113	Continued Prior Year Pass-Through Unfunded Prior Year Pass-Through Payment Obligations	Miscellaneous	2/12/2014	4/1/2030	San Bernardino County Superior Court of Stanislaus Superior Court Colton Det. Special Counsel	Continued Prior Year Pass-Through Unfunded Payment Obligations	ALL	592,431	N				592,431	
114	Continued Prior Year Pass-Through Unfunded Prior Year Pass-Through Payment Obligations	Miscellaneous	9/12/2013	4/1/2030	San Bernardino County Superior Court of Stanislaus Superior Court Colton Det. Special Counsel	Continued Prior Year Pass-Through Unfunded Payment Obligations	ALL	40,000	N				40,000	
115	Third-Party Related Litigation	Litigation	2/1/2012	4/1/2030	Platinum Security, Inc.	Third-Party Related Litigation; Ordering and Anticipated	ALL	622,252	N				102,627	
116	Real Property Security Services	Project Management Code	9/15/2014	6/30/2017	Platinum Security, Inc.	Nighttime Mobile Security Guard Services	ALL	9,500	N				9,500	
117	Appraisal Services - Litigation	Litigation	10/6/2014	6/30/2015	Intra Realty Resources, Inc.	Appraisal for SANBAG Eminent Domain lawsuit defense	ALL	87,000	N				87,000	
118	Condemnation Judgment	Litigation	12/14/2010	6/30/2015	Estate of William R. Bland	Unpaid Judgment and Final Order of Condemnation	ALL	7,500,000	N				7,500,000	
119	CMB-Export \$15,000,000 Note Principal Reduction Payment	Third-Party Loans	10/5/2009	9/1/2015	CMB Export Infrastructure Group	One-half of principal reduction payment due on 9/1/2015 for EO # 14 (HSC 34171 (6)(1)(A) Renewal)	ALL	40,500	N				13,500	
120	Continuing Disclosure Services	Professional Services	10/1/2012	9/30/2017	Urban Futures, Inc.	Continuing Disclosure Services for 2002, 2002A, 2005A, 2005B, 2006, 2010A and 2010B TABs	ALL	7,158	N				7,158	
121	Litigation - Glen Aire MHP Corp	Litigation	3/5/2012	4/1/2030	Endeman Lincoln Turck Heister	The amount requested is to correct the budget under-estimate for ROPS 13-14B. See EO # 36 on PPA Form.	City, NVDA	21,941	N				21,941	
122	Infrastructure - Watson OPA	OP/ADDA/Construction	12/20/2010	7/31/2013	University Parkway Promenade	The amount requested is to correct the budget under-estimate for ROPS 13-14B. See EO # 40 on PPA Form.	SC	21,941	N				21,941	
123									N					
124									N					
125									N					
126									N					
127									N					
128									N					
129									N					
130									N					
131									N					
132									N					
133									N					
134									N					
135									N					
136									N					
137									N					
138									N					
139									N					
140									N					
141									N					
142									N					
143									N					
144									N					
145									N					
146									N					
147									N					
148									N					
149									N					
150									N					
151									N					
152									N					
153									N					
154									N					
155									N					
156									N					

**Recognized Obligation Payment Schedule (ROPS 14-15B) - Report of Cash Balances**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [https://rad.dof.ca.gov/rad-sa/pdf/Cash\\_Balance\\_Agency\\_Tips\\_Sheet.pdf](https://rad.dof.ca.gov/rad-sa/pdf/Cash_Balance_Agency_Tips_Sheet.pdf).

A	B	C	D	E				G	H	I	
				Fund Sources							
				Bond Proceeds	Reserve Balance	Prior ROPS RPTTF	Other				
Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, Grants, Interest, Etc.	RPTTF	Non-Admin and Admin	Comments				
<b>Cash Balance Information by ROPS Period</b>											
<b>ROPS 13-14B Actuals (01/01/14 - 06/30/14)</b>											
1	Beginning Available Cash Balance (Actual 01/01/14)										
2	Revenue/Income (Actual 06/30/14) RPTTF amounts should tie to the ROPS 13-14B distribution from the County Auditor-Controller during January 2014	24,855,939					11,043,831				Cell G-1 consists of DSRFs and unspent bond proceeds only. All funds are held by US Bank, as Trustee. Cell G-1 is the amount of the retained balance as derived from the OFA DDR and includes the PPA's from ROPS 13-14B and ROPS 14-15A. See Notes Form. For Cell G-2, any income during the period is included in Cell G-1. Third-party contributions for debt service paid directly to the Trustee are not included in Cell G2. The amount in Cell H-2 ties to the actual RPTTF distributed by CAC.
3	Expenditures for ROPS 13-14B Enforceable Obligations (Actual 06/30/14) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures. In the Report of PPA, Columns L and O										Third-party expenditures for debt service paid directly by the Trustee is not included in Cell G3.
4	Retention of Available Cash Balance (Actual 06/30/14) RPTTF amount retained should only include the amounts distributed for debt service reserve(s) approved in ROPS 13-14B	24,855,939					11,043,831				
5	ROPS 13-14B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 13-14B PPA in the Report of PPA, Column S										
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)										
<b>ROPS 14-15A Estimate (07/01/14 - 12/31/14)</b>											
7	Beginning Available Cash Balance (Actual 07/01/14) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	24,855,939					11,043,831				
8	Revenue/Income (Estimate 12/31/14) RPTTF amounts should tie to the ROPS 14-15A distribution from the County Auditor-Controller during June 2014						440,000				
9	Expenditures for ROPS 14-15A Enforceable Obligations (Estimate 12/31/14)										
10	Retention of Available Cash Balance (Estimate 12/31/14) RPTTF amount retained should only include the amount distributed for debt service reserve(s) approved in ROPS 14-15A						4,927,840				
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	24,855,939					6,555,991				







**Recognized Obligation Payment Schedule (ROPS 14-15B) - Notes**  
January 1, 2015 through June 30, 2015

Item #	Notes/Comments
10	For the 2010A BABs, the Federal Direct Payment is calculated at 45% of the interest payment. From time to time, the Federal Government under-pays its obligation w
12	For the 1995H Bonds, the owner's contribution is equal to the estimated amount applicable during ROP 14-15A.
13	For the 1995R Bonds, the owner's contribution is equal to the estimated amount applicable during ROP 14-15A
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	Due to credit balance, payments to Hillwood are deferred to ROPS 15-16B. Future payments will appear on the "B" ROPS cycles.
20	The payment amount shown is the unpaid balance from ROPS 14-15A. Future payments will appear on the "B" ROPS cycles.
24	Due to credit balance, payments to Waterman are deferred to ROPS 15-16B. Future payments will appear on the "B" ROPS cycles.
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 14-15A.
82	The Successor Agency was unable to fund EO # 82 during ROPS 14-15A. The Successor Agency is holding in abeyance its funding request for EO # 82 for ROPS 14-15B. The Successor Agency may reconsider this matter in the future.
87	DOF denied this item based in part on its belief that some the unpaid property taxes were incurred after the property was transferred from the RDA to the SBEDC. In fact, the item represents only taxes incurred before the RDA acquired the property. These taxes became an obligation of the RDA when it acquired the property by foreclosure in February 2011. The Successor Agency therefore requests DOF reconsideration of this item.
88	The Successor Agency is holding in abeyance its funding request for EO # 88 for ROPS 14-15B. The Successor Agency may reconsider this matter in the future.
90	The Successor Agency is holding in abeyance its funding request for EO # 90 for ROPS 14-15B. The Successor Agency may reconsider this matter in the future.
91	The Successor Agency is holding in abeyance its funding request for EO # 91 for ROPS 14-15B. The Successor Agency may reconsider this matter in the future.
92	The Successor Agency is holding in abeyance its funding request for EO # 92 for ROPS 14-15B. The Successor Agency may reconsider this matter in the future.
93	The Successor Agency is holding in abeyance its funding request for EO # 93 for ROPS 14-15B. The Successor Agency may reconsider this matter in the future.
95	Unfunded Prior-Year Pass-Through Payment Obligations. The SBCUSD has asked for DOF reconsideration of this EO.
96	The requested amount is equal to the actual debt service only applicable to the South Valle and 201 Building portions of the 1999 COPS.
113	Unfunded Prior-Year Pass-Through Payment Obligations. The SBCSS has asked for DOF reconsideration of this EO.
114	Unfunded Prior-Year Pass-Through Payment Obligations. The SBCOD has asked for DOF reconsideration of this EO.
115	This EO subsumes EO Nos. 33, 34 and 36. EO No. 115 includes costs for third-party litigation for both on-going matters and anticipated litigation.
116	EO No. 116 relates to EO No. 38, which has been reduced by the approximate amount of EO No. 116.
119	The \$7.5 million of RPTTF requested represents one-half of principal reduction payment due on 9/1/2015 for EO # 14 (HSC 34171 (a)(1)(A) Reserve)
120	This EO was inadvertently not included in prior ROPS. Including this item on this and future ROPS will correct the oversight.
121	The amount requested is to correct the budget under-estimate for ROPS 13-14B. See EO # 36 on PPA Form.
122	The amount requested is to correct the budget under-estimate for ROPS 13-14B. See EO # 40 on PPA Form.
	<b>PRIOR PERIOD ADJUSTMENT FROM</b>
	In its 12-17-13 letter, DOF approved current debt service for EO # 28 in the amount of \$612,902. DOF also approved \$651,996 as a positive prior period adjustment for EO # 28 from ROPS II (see page 6 of that letter). Therefore, the PPA for this ROPS shows \$1,264,898 being authorized for EO # 28 for ROPS 13-14B in Excel cell I-35, with \$612,902 allocated to current debt service (as the interest only component of the payment) in Excel cell J-35. The principal reduction component of this payment was funded from EO # 101 in ROPS 14-15A.
28	
	<b>CASH BALANCES FORM</b>
	Cell C-1 consists of DSRFs and \$8,763,900 of unspent bond proceeds only. Funds held by the Trustee for current bond-holder payments are not included. All funds are held by US Bank, as Trustee. Cell G-1 is the amount of the retained balance as derived from the OFA DDR and includes the PPAs from ROPS 13-14B and ROPS 14-15A.
Line 1	