

1 from other funds [i.e., rental income], and \$149,115-worth to be provided from third-party funds
2 [i.e., debt service contributions from third parties]); and

3 **WHEREAS**, over a ten (10) week period following the filing of ROPS 14-15B, Successor
4 Agency representatives responded to DOF staff inquiries, provided them with supporting
5 information, participated in several conference call meetings and participated in a meet and confer
6 meeting with DOF staff; and

7 **WHEREAS**, on December 17, 2014, the DOF issued their final determination letter, which
8 is appended to this Resolution as Exhibit “B”; and

9 **WHEREAS**, the DOF’s December 17, 2014 letter: i) denied a portion of three (3) EOs
10 worth \$1,294,705 (i.e., EO Nos. 95, 113 and 114 – certain school district prior period pass through
11 payments); ii) reassigned two (2) EOS worth \$45,211 to other funding; iii) denied \$40,197 of the
12 requested administrative allowance; iv) applied \$1,519,467 of prior period adjustments; and v)
13 authorized the distribution of \$17,570,160 of RPTTF to the Successor Agency, of which \$566,009
14 represents the administrative allowance; and

15 **WHEREAS**, on December 26, 2014, the County Auditor-Controller issued the Successor
16 Agency a check in the amount of \$15,617,533, which was all of the RPTTF then available to the
17 Successor Agency for ROPS 14-15B; and

18 **WHEREAS**, in addition to available RPTTF, the Successor Agency is also able to apply
19 \$4,973,836 of additional funding, which consists of: i) \$3,472,094 of prior period adjustment-based
20 RPTTF; ii) \$1,352,627 of other funds (i.e., rental income); and iii) \$149,115 of third-party funds
21 (i.e., debt service contributions from third parties); and

22 **WHEREAS**, therefore, the sum of RPTTF and other funds available for use during ROPS
23 14-15B equals \$20,591,369, which is sufficient to fund the Successor Agency’s enforceable
24 obligations during the period of January through June 2015; and

25 **WHEREAS**, consistent with the immediately foregoing recital, staff has prepared the
26 Successor Agency’s plan use of ROPS 14-15B resources, as depicted in Exhibit “C” to this
27 Resolution; and

28

1 **WHEREAS**, this Resolution has been reviewed with respect to applicability of the
2 California Environmental Quality Act (the “CEQA”), the State CEQA Guidelines (California Code
3 of Regulations, Title 14, §§ 15000 *et seq.*, hereafter the “Guidelines”), and the City’s environmental
4 guidelines; and

5 **WHEREAS**, this Resolution is not a “project” for purposes of CEQA, as that term is
6 defined by Guidelines § 15378, because this Resolution is an organizational or administrative
7 activity that will not result in a direct or indirect physical change in the environment, per §
8 15378(b)(5) of the Guidelines; and

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

11 **NOW, THEREFORE, BE IT RESOLVED** by the Successor Agency to the
12 Redevelopment Agency of the City of San Bernardino, as follows:

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

15 **Section 2.** The Successor Agency’s ROPS 14-15B for the period of January through
16 June 2014, which is attached hereto as Exhibit “A”, is approved, inclusive of each enforceable
17 obligation.

18 **Section 3.** The Successor Agency’s plan for the use of ROPS 14-15B resources, which is
19 attached hereto as Exhibit “C”, is approved.

20 **Section 4.** The City Manager, as Executive Director of the Successor Agency, or
21 designee, is hereby authorized and directed to: i) implement ROPS 14-15B on behalf of the
22 Successor Agency; ii) implement the Successor Agency’s plan for the use ROPS 14-15B resources;
23 and iii) take such necessary actions and execute such documents as are necessary to effectuate the
24 intent of this Resolution, inclusive of authorizing ministerial revisions to the Successor Agency’s
25 plan for use of ROPS 14-15B resources.

26 **Section 5.** This Resolution is not a “project” for purposes of CEQA, as that term is
27 defined by Guidelines § 15378, because this Resolution is an organizational or administrative
28

1 activity that will not result in a direct or indirect physical change in the environment, per §
2 15378(b)(5) of the Guidelines.

3 **Section 6.** This Resolution shall take effect upon its adoption and execution in the
4 manner as required by the City Charter.

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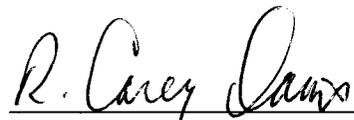
RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF SAN BERNARDINO ACTING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO APPROVING RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15B FOR THE PERIOD OF JANUARY THROUGH JUNE 2015 AND APPROVING CERTAIN RELATED ACTIONS (#3710)

I HEREBY CERTIFY that the foregoing Resolution was duly adopted by the Successor Agency to the Redevelopment Agency of the City of San Bernardino, at a joint regular meeting thereof, held on the 17th day of February, 2015, by the following vote, to wit:

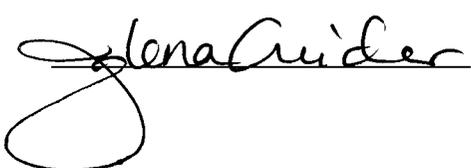
<u>Council Members</u>	<u>Ayes</u>	<u>Nays</u>	<u>Abstain</u>	<u>Absent</u>
MARQUEZ	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
BARRIOS	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
VALDIVIA	<u> </u>	<u> </u>	<u> </u>	<u> x </u>
SHORETT	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
NICKEL	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
JOHNSON	<u> x </u>	<u> </u>	<u> </u>	<u> </u>
MULVIHILL	<u> x </u>	<u> </u>	<u> </u>	<u> </u>


 Georgeann Hanna, City Clerk

The foregoing Resolution is hereby approved this 20th day of February 2015.


 R. Carey Davis, Chairman
 Successor Agency to the
 Redevelopment Agency of the
 City of San Bernardino

Approved as to Form:
 Gary D. Saenz, City Attorney

By: 

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**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14-15B
(January through June 2014)**

(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

<u>Current Period Requested Funding for Outstanding Debt or Obligation</u>	<u>Six-Month Total</u>
A Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):	\$ 1,501,742
B Bond Proceeds Funding (ROPS Detail)	-
C Reserve Balance Funding (ROPS Detail)	-
D Other Funding (ROPS Detail)	1,501,742
E Enforceable Obligations Funded with RPTTF Funding (F+G):	\$ 20,469,740
F Non-Administrative Costs (ROPS Detail)	19,873,534
G Administrative Costs (ROPS Detail)	596,206
H Current Period Enforceable Obligations (A+E):	\$ 21,971,482
<hr/>	
Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
I Enforceable Obligations funded with RPTTF (E):	20,469,740
J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(556,964)
K Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 19,912,776
<hr/>	
County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding	
L Enforceable Obligations funded with RPTTF (E):	20,469,740
M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)	20,469,740

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		
										M						N	O
										Funding Source							
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt of Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total		
																Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)	RPTTF
								\$ 251,229,149				\$ 1,501,742	\$ 19,873,534	\$ 596,206	\$ 21,971,482		
3	1993A TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Central City RDA Projects	M/CC	8,750,743	N				1,247,144		1,247,144		
4	1998B TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Central City RDA Projects	M/CC	4,700,499	N						556,250		
6	2002A TABs	Bonds Issued On or Before 12/31/10	3/4/2002	2/1/2031	US Bank	Mt Vernon Project Area	MTV	4,825,665	N				85,425		85,425		
7	2002 TABs	Bonds Issued On or Before 12/31/10	11/19/2001	4/1/2026	US Bank	SC, CCN, SEIP, NW, TRI, UP and SV Projects	SC, CCN, SEIP, NW, TRI, UP, SV	26,636,934	N				1,928,684		1,928,684		
8	2005A TABs	Bonds Issued On or Before 12/31/10	9/22/2005	10/1/2025	US Bank	SC, CCN, SEIP, NW, TRI, UP and SV Projects	SC, CCN, SEIP, NW, TRI, UP, SV	49,259,514	N				964,220		964,220		
9	2005B TABs	Bonds Issued On or Before 12/31/10	9/22/2005	10/1/2025	US Bank	SC, CCN, SEIP, NW, TRI, UP and SV Projects	SC, CCN, SEIP, NW, TRI, UP, SV	18,332,319	N				367,282		367,282		
10	2010A RECOVERY ZONE	Bonds Issued On or Before 12/31/10	12/6/2010	4/1/2030	US Bank	Recovery Zone Projects	CCN/M/CC/NW	11,905,574	N		116,493		342,382		458,875		
11	2010B TABs	Bonds Issued On or Before 12/31/10	12/6/2010	4/1/2028	US Bank	Northwest Project Area	NW	4,352,710	N				236,800		236,800		
12	1995H Highland Lutheran SR Housing	Revenue Bonds Issued On or Before 12/31/10	6/19/1995	7/1/2025	US Bank	Sr Housing Complex	IVDA	1,672,109	N			1,452	105,486		106,938		
13	1995R Casa Remona Sr Housing	Revenue Bonds Issued On or Before 12/31/10	6/19/1995	7/1/2025	US Bank	Remona Sr Housing Complex	MTV	1,544,782	N			31,170	67,024		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	15,787,500	N				393,750		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, M/CC	11,575,000	N				262,500		262,500		
16	CMB-Export \$6,000,000 Notes	Third-Party Loans	9/1/2010	10/1/2016	CMB Export Infrastructure Group	Various construction projects per agreement	IVDA	8,840,000	N				210,000		210,000		
17	Cinema Section 108 Bonds	Bonds Issued On or Before 12/31/10	6/15/1998	8/1/2018	Bank of New York	Cinema Star Project	CCN/M/CC/NW	3,033,296	N				27,853		27,853		
18	Access Shuttle Stop 128 Bonds	Bonds Issued On or Before 12/31/10	7/24/2004	4/1/2025	Bank of New York	North Andover-Guilford Project - Access Shuttle Stop 128	IVDA	8,632,129	N						-		
19	Hillwood-DDA TI Reimbursement	OPA/DDA/Construction	9/18/2006	4/27/2021	Hillwood Properties	Tax Sharing Agreement - Warehouse Facility	SC	3,001,561	N						-		
20	BP CA - Site Remediation	OPA/DDA/Construction	10/7/2002	9/30/2018	BP Cal	Tax Sharing Agreement - Site Remediation	TRI	789,835	N				95,129		95,129		
24	SB County Transitional Assistance Department (TAD) Leased Building	OPA/DDA/Construction	8/16/2004	2/2/2020	Waterman Holdings	Tax Sharing Agreement - New Construction	CCE	317,106	N						-		
28	2006 TABs	Bonds Issued On or Before 12/31/10	3/20/2006	5/1/2027	US Bank	LMHF Projects/Programs	CCN	26,261,494	N				2,126,559		2,126,559		
30	PERA - Unfunded Pension Liability	Unfunded Liabilities	6/30/2010	2/1/2048	PERA	PA - Unfunded Pension Liability as of 6/30/2010	ALL	949,800	N						-		
31	Retiree Health Benefit	Miscellaneous	6/23/2005	9/10/2045	Various Employees	Retiree Supplemental Health Benefit per Agency Policy	ALL	5,209,515	N				27,500		27,500		
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					596,206	596,206		
33	Litigation - Carousel Mall (Plasco)	Litigation	8/7/2011	4/1/2030	Lewis Brisobos	Legal representation for litigation	M/CC	1	Y						-		
34	Litigation - Pearl v. City of San Bernardino	Litigation	5/20/2011	4/1/2030	Lewis Brisobos	Lawsuit - Personal injury	ALL	1	Y						-		
36	Litigation - Glen Aire MHP Corp	Litigation	3/9/2012	4/1/2030	Endeman Lincoln Turek Heister	Lawsuit - Glen Aire 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			1,250,000		
41	Aliso Plazo - Residual Bond	OPA/DDA/Construction	4/1/2009	4/1/2020	Essex Business Park	Aliso Plazo - Residual Bond	SEP	1,000,000	N						-		
62	HSC 34171 (d)(1)(A) Reserve	Bonds Issued On or Before 12/31/10	3/2/1998	4/1/2030	US Bank	Replacement of DSR Draws	ALL	4,849,834	N						-		
64	Securities Servicing	Fees	3/2/1998	4/1/2030	US Bank	Securities Servicing of all Bonds	ALL	924,157	N				71,089		71,089		
65	Unfunded Pension Pass-Through Payment Obligations	Miscellaneous	7/1/2009	3/1/2020	BBVA/BND	Unfunded Pension Pass-Through Payment Obligations	ALL	1,000,000	N						-		

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		
												Funding Source							
												Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)							
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Six-Month Total				
													Non-Admin	Admin					
34	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							2,223,368		
96	Reimbursement Agreement for Debt Service on 1999 COPs	Bonds Issued On or Before 12/31/10	9/29/1999	9/1/2024	US Bank	Reimbursement for Debt Service for 1999 COPs (201 Bldg. & South Valle)	ALL	6,439,550	N					133,513			133,513		
97	1998A TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Addition of Principal reduction payment for ROPS 13-14B	ALL		1	Y									
98	1998B TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Addition of Principal reduction payment for ROPS 13-14B	ALL		1	Y									
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									
100	1995R Cass 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									
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									
102	1997A TABs	Bonds Issued On or Before 12/31/10	7/14/1997	7/1/2015	US Bank	Correct error in DOF's ROPS II PPA for EO # 9	ALL		1	Y									
103	2005B TABs	Bonds Issued On or Before 12/31/10	9/22/2005	10/1/2025	US Bank	Correct error in DOF's ROPS II PPA for EO # 9	ALL		1	Y									
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									
105	Woolworth Bldg	Third-Party Loans	8/1/2006	1/1/2013	Reynolds San Bernardino	Correct error in DOF's ROPS II PPA for EO # 28	ALL		1	Y									
106	Litigation - Carousel Mall (Pleco)	Litigation	9/7/2011	4/1/2030	Lewis Brisbois	Correct error in DOF's ROPS II PPA for EO # 33	ALL		1	Y									
107	Long Term Property Maintenance	Property Maintenance	6/28/2011	8/10/2045	Various Vendors	Correct error in DOF's ROPS II PPA for EO # 38	ALL		1	Y									
108	Neighborhood Housing Services, Inc. Unpaid ROPS I Invoice	Unfunded Liabilities	8/10/2010	6/30/2013	Neighborhood Housing Services, Inc.	Payment for Housing Program Expenses During ROPS I That Were Not Paid and Discovered by Audit	ALL		1	Y									
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									
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									
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									

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 which will increase the Successor Agency's payment amount.
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. Further, per input from the Oversight Board the project's name has been expanded to more correctly describe the project.
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 of 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.
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 SBCCD 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. 36, 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 (d)(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.
14 & 119	In column "I" (total outstanding debt or obligation), the amount shown for EO # 119 is also included within the amount shown for EO # 14. Therefore, the total of the Successor Agency's outstanding obligations shown in Excel Cell I-6 is actually \$7,500,000 less for a total of \$243,729,149.
PRIOR PERIOD ADJUSTMENT FORM	
10	For EO # 10, the actual debt service payment due was \$454,100. Of this amount, \$110,288 was paid from the Federal Direct Payment, \$43,715 was paid from prior period surplus funds on hand with the Trustee and \$300,098 was paid from RPTTF from ROPS 13-14B.
12	For EO # 12, the actual debt service payment due was \$104,225. Of this amount, \$4,113 was paid with Highland Lutheran funds, \$41,805 was paid from Successor Agency RPTTF funds from ROPS 13-14B and \$58,307 was paid from ROPS 14-15A RPTTF from EO # 99 and will be reported on the PPA form on ROPS 15-16A.
13	For EO # 13, the actual debt service payment due was \$95,360. Of this amount, \$83,128 was paid with Casa Ramona funds and \$12,232 was paid from ROPS 14-15A RPTTF from EO # 100 and will be reported on the PPA form in ROPS 15-16A.

**DECEMBER 17, 2014 LETTER
FROM THE
CALIFORNIA DEPARTMENT OF FINANCE**

(See Attachment)

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DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

December 17, 2014

Mr. Jim Morris, City Manager's Assistant
San Bernardino City
300 North D Street, 6th Floor
San Bernardino, CA 94218

Dear Mr. Morris:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated November 14, 2014. Pursuant to Health and Safety Code (HSC) section 34177 (m), the San Bernardino City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15B) to Finance on October 1, 2014, for the period of January through June 2015. Finance issued a ROPS determination letter on November 14, 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 December 1, 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. 38 – Long Term Property Maintenance costs in the amount of \$6,750,000. Finance no longer denies this item. It was our initial understanding the properties associated with the requested costs were in the possession of the San Bernardino Economic Development Corporation (SBEDC). Therefore, Finance initially denied this item because the maintenance costs for these properties were the obligations of the SBEDC, not the Agency. During the Meet and Confer process, the Agency provided the quitclaim deeds for the properties showing that they have been transferred from the SBEDC to the Agency. Therefore, these costs are eligible for Other Funds.
- Item Nos. 95, 113, and 114 – Unfunded Prior-Year Pass-Through Obligations totaling \$2,897,529 are not allowed. Finance no longer denies \$1,192,547, \$52,172, and \$358,105 of Item Nos. 95, 113, and 114, respectively; however, Finance continues to deny the remainder of these items. Finance initially denied these items as it was our understanding the Agency is not named as a party to the Los Angeles Unified School District (LAUSD) court decision. As a result, the Agency does not have binding obligations to these payments.

During the Meet and Confer process, the Agency contended that a portion of these items is not related to the LAUSD court decision, but miscalculations of the AB 1290

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pass-through amounts owed and not paid. The Agency provided a summary of amounts owed, the amounts paid, and the remaining balances to be paid to the San Bernardino City Unified School District, the San Bernardino County Superintendent of Schools, and the San Bernardino Community College District. Therefore, Item Nos. 95, 113, and 114 in the amounts of \$1,192,547, \$52,172, and \$358,105, respectively, are enforceable obligations eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

However, as previously stated, the remaining amounts are based on a LAUSD court decision and the Agency was not a named party. Therefore, the remainders of these items are not enforceable obligations and are not eligible for RPTTF funding.

- Item No. 116 – Real Property Security Services in the amount of \$622,252. Finance no longer denies this item. It was our initial understanding the properties associated with the security service costs were in the possession of the SBEDC. Therefore, Finance initially denied this item because the security services performed on these properties were the obligations of the SBEDC, not the Agency. During the Meet and Confer process, the Agency provided the quitclaim deeds for the properties showing that they have been transferred from the SBEDC to the Agency. Therefore, these costs are eligible for Other Funds.

In addition, per Finance's letter dated November 14, 2014, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item Nos. 121 and 122 – Under-Funded Obligations for Glen Aire Mobile Home Park Corporation Litigation and the Watson Owner Participation Agreement totaling \$45,211 are not allowed. Although the Agency incurred more expenditures than Finance authorized, it is our understanding these obligations were paid using Other Funds during ROPS 13-14B period, and currently, there is no outstanding amount due. Additionally, HSC section 34177 (l) (1) (E) requires agencies to use RPTTF only to the extent no other funding source is available. Therefore, these items are not eligible for RPTTF funding.
- Claimed administrative costs exceed the allowance by \$88,282. HSC section 34171 (b) limits the fiscal year 2014-15 administrative expenses to three percent of property tax allocated to the Agency or \$250,000, whichever is greater. As a result, the Agency is eligible for \$985,385. The San Bernardino County Auditor-Controller's Office distributed \$477,461 in administrative costs for the July through December 2014 period, thus leaving a balance of \$507,924 available for the January through June 2015 period. Although \$596,206 is claimed for administrative cost, only \$507,924 is available pursuant to the cap. Therefore, \$88,282 of excess administrative cost is not allowed.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2014 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to review by the county auditor-controller (CAC) and the State Controller. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below only reflects the prior period adjustment self-reported by the Agency, as adjusted by Finance.

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The Agency self-reported a prior period adjustment in the amount of \$556,964. During our review, Finance determined the Agency neglected to include \$962,503 (the prior period adjustment from ROPS III as listed on the ROPS 13-14B determination) in the Non-Admin RPTTF Available Amount. As a result, Finance adjusted the Non-Admin Available Amount, by \$962,503, which increased the prior period adjustment to \$1,519,467 (\$556,964 + \$962,503). Therefore, to the extent the Agency disagrees with our review, the Agency should work provide suitable documentation to modify the prior period adjustment proposed by Finance.

In addition, Finance noted the following during our review:

- On the ROPS 13-14B Prior Period Adjustment worksheet, the Agency's expenditures exceeded Finance's authorization for the following items:
 - Other Funds totaling \$211,359 – Item No. 9, \$177; Item No. 10, \$110,292; Item No. 12, \$1,936; Item No. 13, \$42,766; Item No. 31, \$10,977; Item No. 36 (listed as Item No. 121 on ROPS 14-15B), \$23,275; Item No. 38, \$278,131, and Item No. 40 (listed as Item No. 122 on ROPS 14-15B), \$21,936.

Per HSC section 34177 (a) (3), only those payments listed on ROPS may be made by the Agency from the funds specified on the ROPS. However, these items were determined to be enforceable obligations for the ROPS 14-15B period. Therefore, Finance is increasing the Agency's authorization for the ROPS 14-15B period to ensure that authorization is consistent with expenditures for the approved enforceable obligations. As these Other Funds were previously expended, the increase in authorization should not result in increased expenditures for the current ROPS period, but should merely allow the Agency to reconcile actual expenditures to the authorization.

HSC sections 34177 (a) (4) and 34173 (h) provide mechanisms when Agency payments must exceed the amounts authorized by Finance. Please ensure the proper expenditure authority is received from your Oversight Board and Finance prior to making payments on enforceable obligations.

Except for items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 14-15B. The Agency's maximum approved RPTTF distribution for the reporting period is \$15,919,251 as summarized in the Approved RPTTF Distribution Table below:

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Approved RPTTF Distribution	
For the period of January through June 2015	
Total RPTTF requested for non-administrative obligations	19,873,534
Total RPTTF requested for administrative obligations	596,206
Total RPTTF requested for obligations on ROPS	\$ 20,469,740
Total RPTTF requested for non-administrative obligations	19,873,534
Denied Items	
Item No. 95	(1,030,851)
Item No. 113	(29,528)
Item No. 114	(234,326)
Item No. 121	(23,275)
Item No. 122	(21,936)
	(1,339,916)
Total RPTTF authorized for non-administrative obligations	\$ 18,533,618
Total RPTTF requested for administrative obligations	596,206
Administrative costs in excess of the cap (see Admin Cost Cap table below)	(40,197)
Total RPTTF authorized for administrative obligations	\$ 556,009
Total RPTTF authorized for obligations	\$ 19,089,627
Self-reported ROPS 13-14B prior period adjustment (PPA)	(556,964)
Finance adjustment to ROPS 13-14B PPA	(962,503)
Total ROPS 13-14B PPA	(1,519,467)
Total RPTTF approved for distribution	\$ 17,570,160

Administrative Cost Cap Calculation	
Total RPTTF for 14-15A (July through December 2014)	15,915,373
Total RPTTF for 14-15B (January through June 2015)	18,533,618
Total RPTTF for fiscal year 2014-2015	34,448,991
Allowable administrative cost for fiscal year 2014-15 (Greater of 3% or \$250,000)	1,033,470
Administrative allowance for 14-15A (July through December 2014)	477,461
Allowable RPTTF distribution for administrative cost for ROPS 14-15B	556,009
Total RPTTF administrative obligations after Finance adjustments	596,206
Administrative costs in excess of the cap	\$ (40,197)

Pursuant to HSC section 34177 (I) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During the ROPS 14-15B review, Finance requested financial records to support the cash balances reported by the Agency; however, the Agency was unable to support the amounts reported. As a result, Finance will continue to work with the Agency after the ROPS 14-15B review period, to properly identify the Agency's cash balances. If it is determined the Agency possesses cash balances that are available to pay approved obligations, the Agency should request the use of these cash balances prior to requesting RPTTF in ROPS 15-16A.

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

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

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This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2015. 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 the 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 agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if for whatever reason the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

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
Acting 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

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**THE SUCCESSOR AGENCY'S PLAN
FOR USE OF ROPS 14-15B RESOURCES
(JANUARY THROUGH JUNE 2014)**

(See Attachment)

The Successor Agency's Plan for use of ROPS 14-15B Resources (January thru June 2015)

EO #	Obligation	Funding Category	RPTTF ROPS Request	Other Funds ROPS Request	Third Party Funds ROPS Request	RPTTF DOF Approved	Other Funds DOF Approved	Third Party Funds DOF Approved	RPTTF Proposed Use Plan	PPA RPTTF Proposed Use Plan	Other Funds Proposed Use Plan	Third Party Funds Proposed Use Plan	TOTAL Proposed Use Plan
3	1998A TABs	1	\$ 1,247,144	\$ -	\$ -	\$ 1,247,144	\$ -	\$ -	\$ 1,247,144	\$ -	\$ -	\$ -	\$ 1,247,144
4	1998B TABs	1	558,250	-	-	558,250	-	-	558,250	-	-	-	558,250
6	2002A TABs	1	85,425	-	-	85,425	-	-	85,425	-	-	-	85,425
7	2002 TABs	1	1,928,888	-	-	1,928,888	-	-	1,928,888	-	-	-	1,928,888
8	2005A TABs	1	984,220	-	-	984,220	-	-	984,220	-	-	-	984,220
9	2005B TABs	1	367,282	-	-	367,282	-	-	367,282	-	-	-	367,282
10	2010A TABs	1	342,382	-	116,493	342,382	-	116,493	342,382	-	-	116,493	458,875
11	2010B TABs	1	236,800	-	-	236,800	-	-	236,800	-	-	-	236,800
12	1995H Bonds	1	105,486	-	1,452	105,486	-	1,452	105,486	-	-	1,452	106,938
13	1995R Bonds	1	67,024	-	31,170	67,024	-	31,170	67,024	-	-	31,170	98,194
14	EB-5 Note (\$15M-Interest Only)	1	393,750	-	-	393,750	-	-	393,750	-	-	-	393,750
15	EB-5 Note (\$10M-Interest Only)	1	262,500	-	-	262,500	-	-	262,500	-	-	-	262,500
16	EB-5 Note (\$5M-Interest Only)	1	210,000	-	-	210,000	-	-	210,000	-	-	-	210,000
17	Sec. 108 Bonds (Cinema)	1	27,853	-	-	27,853	-	-	27,853	-	-	-	27,853
18	Sec. 108 Bonds (A-G)	4	-	-	-	-	-	-	-	-	-	-	-
19	Hillwood Tax Sharing Agr.	4	-	-	-	-	-	-	-	-	-	-	-
20	BP Cal Tax Sharing Agr.	3	95,129	-	-	95,129	-	-	95,129	-	-	-	95,129
24	Waterman Tax Sharing Agr.	4	-	-	-	-	-	-	-	-	-	-	-
28	2006 TABs (Housing)	1	2,126,559	-	-	2,126,559	-	-	2,126,559	-	-	-	2,126,559
30	FERS Unfunded Liability	4	-	-	-	-	-	-	-	-	-	-	-
31	Retiree Health	3	27,500	-	-	27,500	-	-	27,500	-	-	-	27,500
32	SA Administration	2	596,206	-	-	596,009	-	-	596,009	-	-	-	596,009
38	Property Maintenance	2	-	1,250,000	-	-	1,250,000	-	-	-	1,250,000	-	1,250,000
41	Auto Mall Reader Board	4	-	-	-	-	-	-	-	-	-	-	-
82	DSRF Replenishments	4	-	-	-	-	-	-	-	-	-	-	-
84	Securities Servicing	1	71,089	-	-	71,089	-	-	71,089	-	-	-	71,089
87	Mall Property Taxes	4	-	-	-	-	-	-	-	-	-	-	-
95	SB City USD Pass Thru Pmt.	3	2,223,398	-	-	1,192,547	-	-	1,192,547	-	-	-	1,192,547
96	1999 COPs Reimbursement	3	133,513	-	-	133,513	-	-	133,513	-	-	-	133,513
113	SBCCS Pass Thru Pmt.	3	81,700	-	-	52,172	-	-	52,172	-	-	-	52,172
114	SBCCD Pass Thru Pmt.	3	592,431	-	-	358,105	-	-	358,105	-	-	-	358,105
115	Anticipated Litigation	3	50,000	-	-	50,000	-	-	50,000	-	-	-	50,000
116	Real Property Security Svcs.	3	-	102,627	-	-	102,627	-	-	-	102,627	-	102,627
117	Appraisal Services (Lit.)	3	9,500	-	-	9,500	-	-	9,500	-	-	-	9,500
118	Condemnation Judgment	3	87,000	-	-	87,000	-	-	87,000	-	-	-	87,000
119	EB-5 Note (\$15M Prim. Reduct.)	1	7,500,000	-	-	7,500,000	-	-	4,027,906	3,472,094	-	-	7,500,000
120	Continuing Disclosure	3	13,500	-	-	13,500	-	-	13,500	-	-	-	13,500
121	Litigation Glen Aire MHP	3	23,275	-	-	-	-	-	-	-	-	-	-
122	Infrastructure - Watson OPA	3	21,936	-	-	-	-	-	-	-	-	-	-
TOTAL of EOs			\$ 20,469,740	\$ 1,352,627	\$ 149,115	\$ 19,089,627	\$ 1,352,627	\$ 149,115	\$ 15,617,533	\$ 3,472,094	\$ 1,352,627	\$ 149,115	\$ 20,591,369

RPTTF Received for ROPS 14-15B: \$ 15,617,533
 Other Funds to be Applied During ROPS 14-15B: 1,352,627
 Third-Party Funds to be Applied During ROPS 14-15B: 149,115
 PPA RPTTF to be Applied During ROPS 14-15B: 3,472,094
TOTAL: \$ 20,591,369

Funding Categories
 1 = Debt Service or Debt Service Related
 2 = Administration
 3 = Enforceable Obligation
 4 = No Payment Due During ROPS 14-15AB

Notes: 1. The \$3,472,094 of PPA RPTTF is funded from the PPA reserve balance.
 2. The SUM of F45 thru H45 equals \$21,971,482 and ties to ROPS 14-15B, as submitted
 3. The SUM of I45 thru K45 equals \$20,591,369, which is the DOF approved amount including all sources.
 4. The proposed use plan calls for funding all approved EOs.