

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

AGENDA

Monday, February 1, 2016 at 11:00 AM  
Economic Development Agency Board Room  
201 North "E" Street, Suite 301, San Bernardino, CA 92401  
(909) 663-2279

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*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.*

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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. APPROVAL OF MINUTES

Motion: Approve the Action Minutes for the September 11, 2015 and September 28, 2015 Meeting of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino as submitted in typewritten form.

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

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4. RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17A and B (JULY 2016 THROUGH JUNE 2017)

SBOB 2016-01

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 16-17A and B for the Period of July 2016 through June 2017 and Approving Certain Related Actions

5. PROPOSED BOND EXPENDITURE AGREEMENT

SBOB 2016-02

Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino Approving a Bond Expenditure Agreement Between the Successor Agency to the Redevelopment Agency of the City of San Bernardino and the City of San Bernardino and Approving Certain Related Actions

6. DOF MATTERS

- DOF Letter dated December 17, 2015 - Recognized Obligation Payment Schedule
- DOF Letter dated December 22, 2015 - Finding of Completion
- DOF Letter dated December 31, 2015 - Long-Range Property Management Plan

7. ADJOURNMENT

The next meeting is proposed for Monday, February 22, 2016 at 11:00 AM, or a later date as determined by the Oversight Board, 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

Friday, September 11, 2015  
EDA Board Room

The Special Meeting of the Oversight Board was called to order by Board Member Morris at 9:10 am, Friday, September 11, 2015, 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, Macias-Harrison, and Longville.

Absent: Board Members Headrick and Hill

Also in attendance: Deputy City Attorney Dimichele; Steven Dukett, Managing Principal, Urban Futures, Inc.; Kathleen Robles, Urban Futures; Aviana Valadez, Urban Futures, Inc.; and Tom Clark, Attorney, Stradling, Yocca, Carlson and Rauth.

Conference Call: Teresa Highsmith, Legal Counsel, Colantuono, Highsmith & Whatley, PC

**2. PUBLIC COMMENTS (Audio 00:02:13)**

There were no public comments.

**3. MINUTES (Audio 00:02:26)**

Board Member O'Toole 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 August 4, 2015, be approved as submitted in typewritten form.

The motion carried 5-0; Absent: Headrick and Hill

4. **CHANGE IN FUNDING SOURCE FOR OBLIGATIONS APPROVED BY DEPARTMENT OF FINANCE IN THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 15-16A TO AVOID A DEBT SERVICE DEFAULT** (*Audio 00:03:41*)

SBOB 2015-06

Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino Approving Changes to funding Sources for Obligations Approved by the Department of Finance in Recognized Obligation Payment Schedule 15-16A for Purposes of Avoiding Default on the CMB-Export \$15 Million Note

Mr. Steve Dukett, Principal, Urban Futures, provided a brief summary of the use of the Just Compensation Deposit to offset the ROPS 15-16A RPTTF Shortfall for the purpose of paying the debt service required for the CMB Export \$15 million note.

Legal Counsel Highsmith provided a brief update of SB107.

Questions posed by the Oversight Board were addressed by Chairman Morris, Mr. Dukett, Deputy City Attorney Dimichele, and Attorney Tom Clark.

After a lengthy discussion, Board Member Morris made a motion, seconded by Board Member Macias-Harrison to adopt Resolution SBOB 2015-06, as amended, deleting Section 3 and renumbering the subsequent sections, to approve changes to funding sources for obligations approved by the Department of Finance in Recognized Obligation Payment Schedule 15-16A for purposes of avoiding default on the CMB-Export \$15 Million Note.

The motion carried 5-0; Absent: Headrick and Hill

5. **APPROVAL OF LONG-RANGE PROPERTY MANAGEMENT PLAN** (*Audio 00:51:32*)

SBOB 2015-07

Resolution of the Oversight Board for the Successor Agency to the Redevelopment Agency of the City of San Bernardino Approving the Long Range Property Management Plan Pursuant to California Health and Safety Code Section 34191.5 and Approving Certain Related Actions.

Chairman Morris provided a summary of the Long Range Property Management Plan and Mr. Dukett addressed the changes made since the draft presentation.

After a lengthy discussion, Board Member O'Toole made a motion, seconded by Board Member Smith to adopt Resolution SBOB 2015-07 approving the Long Range Property Management Plan Pursuant to California Health and Safety Code Section 34191.5 and Approving Certain Related Actions

The motion carried 5-0; Absent: Headrick and Hill

6. **STATUS UPDATE REGARDING OTHER DOF MATTERS** (*Audio 01:14:30*)

None to report.

7. **FUTURE OVERSIGHT BOARD ITEMS** (*Audio 01:14:30*)

- Consider ROPS 15-16B (January thru June 2016)(required before October 5, 2015);
- Consider authorizing the Successor Agency to transfer the Low- and Moderate-Income Housing Fund ["LMIHF"] real property assets to the Successor Housing Agency (i.e., the City of San Bernardino); and
- Successor Agency transfer of personal property, including certain motor vehicles to City for governmental purposes (to be reconsidered after receipt of FOC).

8. **ADJOURNMENT** (*Audio 1:18:00*)

At 10:37 a.m., the Special Meeting adjourned. The next regular meeting of the Oversight Board was tentatively scheduled for Monday, September 22, 2015, at 11:00 a.m., or a later date as determined, in the Economic Development Agency Board Room at 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

REGULAR MEETING

Monday, September 28, 2015  
EDA Board Room

The Regular Meeting of the Oversight Board was called to order by Board Member Morris at 11:35 am, Monday, September 28, 2015, 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, Macias-Harrison, Hill, and Longville.

Absent: Board Members Smith, O'Toole, and Headrick.

Also in attendance: Deputy City Attorney Dimichele; Richard Tejada, Mayor's Office; Steven Dukett, Managing Principal, Urban Futures, Inc.; Kathleen Robles, Urban Futures; Aviana Valadez, Urban Futures, Inc.; and Vanessa Locklin, Attorney, Stradling, Yocca, Carlson and Rauth.

Conference Call: Teresa Highsmith, Legal Counsel, Colantuono, Highsmith & Whatley, PC

**2. PUBLIC COMMENTS *(Audio 00:01:17)***

There were no public comments.

**3. RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE 15-16B (JANUARY THROUGH JUNE 2016) *(Audio 00:02:03)***

SBOB 2015-08

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 15-16B for the Period of January through June 2016 and Approving Certain Related Actions

Mr. Dukett explained the enforceable obligations of the ROPS 15-16B.



Exhibit B to the Resolution, memorandum dated September 28, 2015 from Orrick, Herrington & Sutcliffe LLP (Bond Counsel and Special Tax Counsel) regarding Summary of Liability Relating to IRS Settlement for Tax Violation was distributed to the Oversight Board.

Discussion ensued regarding bonds, the memorandum and the solar power purchase agreement.

Board Member Longville made a motion, seconded by Board Member Macias-Harrison that Resolution SBOB 2015-08 be adopted approving the Recognized Obligation Payment Schedule 15-16B for the period of January through June 2016 and approving certain related actions.

The motion carried 4-0; Absent: Smith, O'Toole, and Headrick

**6. STATUS UPDATE REGARDING OTHER DOF MATTERS (Audio 0:57:58)**

None to report.

**7. FUTURE OVERSIGHT BOARD ITEMS (Audio 00:57:58)**

- Consider authorizing the Successor Agency to transfer the Low- and Moderate-Income Housing Fund ["LMIHF"] real property assets to the Successor Housing Agency (i.e., the City of San Bernardino); and
- Successor Agency transfer of personal property, including certain motor vehicles to City for governmental purposes (to be reconsidered after receipt of FOC).

**8. ADJOURNMENT (Audio 1:07:18)**

At 12:40 p.m., the Regular Meeting adjourned. The next regular meeting of the Oversight Board was tentatively scheduled is proposed for Monday, October 12, 2015 at 11:00 a.m., or a later date as determined, in the Economic Development Agency Board Room at 201 North E Street, Suite 301, San Bernardino, California.

By: \_\_\_\_\_  
Lisa Connor, Secretary

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

**Meeting Date:** February 1, 2016  
**To:** Oversight Board Members  
**From:** Lisa Connor, Project Manager  
**Subject:** Recognized Obligation Payment Schedule 16-17 A and B

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**RECOMMENDATION:** Adopt the attached resolution approving the Recognized Obligation Payment Schedule ("ROPS") 16-17 A and B of the Successor Agency to the Redevelopment Agency of the City of San Bernardino and approving certain related actions.

**BACKGROUND:** Pursuant to Health and Safety Code ("HSC") § 34172 (a) (1), the Redevelopment Agency of the City of San Bernardino was dissolved February 1, 2012. Consistent with the provisions of the HSC, on January 9, 2012 the Mayor and Common Council of the City of San Bernardino elected to serve in the capacity of the Successor Agency. 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.

Per HSC § 34177 (o)(1), the Successor Agency is required to prepare a ROPS before each twelve-month fiscal year period commencing with the period from July 1, 2016 through June 30, 2017. Pursuant to HSC § 34180 (g), Oversight Board approval is required for the establishment of each ROPS. Pursuant to HSC § 34177 (o) (1), an Oversight Board-approved ROPS 16-17 A and B for the period of July 2016 through June 2017 must be submitted to the State Department of Finance and to the County Auditor-Controller not later than February 1, 2016. Therefore, it is recommended that the Oversight Board approve the establishment of the Successor Agency's ROPS 16-17 A and B, which is attached hereto as Exhibit "A";

**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 ROPS 16-17 A and B will ensure that the Successor Agency has the authority to continue to pay its enforceable obligations.

**Attachment:** Resolution.



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

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

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

7       **Section 2.**     The Successor Agency's ROPS 16-17 A and B for the period of July 2016  
8 through June 2017, which is attached hereto as Exhibit "A", is approved, inclusive of each  
9 enforceable obligation.

10       **Section 3.**     The City Manager, as the Successor Agency's Executive Director or  
11 designee, is authorized to: i) post that ROPS 16-17 A and B on the City's website, ii) transmit the  
12 ROPS 16-17 A and B to the State Department of Finance and the County Auditor-Controller for  
13 their review within the timeframe and in the manner prescribed by the HSC; and iii) make  
14 ministerial revisions to ROPS 16-17 A and B, which may include, but are not limited to restating the  
15 information included within ROPS 16-17 A and B in any format that may be requested by the State  
16 Department of Finance, take such other actions and execute such other documents as are necessary  
17 to effectuate the intent of this Resolution, and to implement ROPS 16-17 A and B on behalf of the  
18 Successor Agency, including authorizing and causing such payments.

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

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2 **RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR**  
3 **AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN**  
4 **BERNARDINO APPROVING THE RECOGNIZED OBLIGATION**  
5 **PAYMENT SCHEDULE 16-17 A AND B FOR THE PERIOD OF JULY 2016**  
6 **THROUGH JUNE 2017 AND APPROVING CERTAIN RELATED ACTIONS**

7 PASSED, APPROVED AND ADOPTED THIS 1st day of February 2016, by the following vote:

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

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16 \_\_\_\_\_  
Lisa Connor, Secretary

17 The foregoing Resolution is hereby approved this 1<sup>st</sup> day of February, 2016.  
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22 James P. Morris, Chairman  
23 Oversight Board for the  
24 Successor Agency to the Redevelopment  
25 Agency of the City of San Bernardino  
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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
OF THE CITY OF SAN BERNARDINO**

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE 16-17 A and B  
(JULY 2016 THROUGH JUNE 2017)**

**(See Attachment)**

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**Recognized Obligation Payment Schedule (ROPS 16-17) - Summary**  
 Filed for the July 1, 2016 through June 30, 2017 Period

**Successor Agency:** San Bernardino City  
**County:** San Bernardino

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>		<b>16-17A Total</b>	<b>16-17B Total</b>	<b>ROPS 16-17 Total</b>
<b>A</b>	<b>Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):</b>	<b>\$ 2,526,799</b>	<b>\$ 4,467,362</b>	<b>\$ 6,994,161</b>
B	Bond Proceeds Funding	2,135,078	4,045,430	6,180,508
C	Reserve Balance Funding	-	-	-
D	Other Funding	391,721	421,932	813,653
<b>E</b>	<b>Enforceable Obligations Funded with RPTTF Funding (F+G):</b>	<b>\$ 13,355,313</b>	<b>\$ 5,222,532</b>	<b>\$ 18,577,845</b>
F	Non-Administrative Costs	12,966,323	5,070,419	18,036,742
G	Administrative Costs	388,990	152,113	541,103
<b>H</b>	<b>Current Period Enforceable Obligations (A+E):</b>	<b>\$ 15,882,112</b>	<b>\$ 9,689,894</b>	<b>\$ 25,572,006</b>

Certification of Oversight Board Chairman:  
 Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
 Name Title  
 /s/ \_\_\_\_\_  
 Signature Date

San Bernardino City Recognized Obligation Payment Schedule (ROPS 16-17) - ROPS Detail

July 1, 2016 through June 30, 2017

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	16-17A					16-17B					W										
											Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF						Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)					RPTTF				
											L	M	N	O	P	Q	R	S	T	U		V	16-17A Total	16-17B Total							
																									Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Bond Proceeds	Reserve Balance
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 16-17 Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17A Total	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	16-17B Total									
3	1998A TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Central City RDA Projects	All	\$ 184,778,417	N	\$ 25,572,006	\$ 2,135,078	\$ -	\$ 391,721	\$ 12,966,323	\$ 388,990	\$ 15,882,112	\$ 4,045,430	\$ -	\$ 421,932	\$ 5,070,419	\$ 152,113	\$ 9,689,894									
4	1998B TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Central City RDA Projects	All	-	Y	\$ -						\$ -						\$ -									
6	2002A TABs	Bonds Issued On or Before 12/31/10	3/4/2002	2/1/2031	US Bank	Mt Vernon Project Area	All	-	Y	\$ -						\$ -						\$ -									
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	All	-	Y	\$ -						\$ -						\$ -									
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	All	43,272,206	N	\$ 4,997,923				4,198,526		\$ 4,198,526				799,397		\$ 799,397									
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	All	16,059,216	N	\$ 1,903,604				1,607,858		\$ 1,607,858				295,746		\$ 295,746									
10	2010A RECOVERY ZONE	Bonds Issued On or Before 12/31/10	12/6/2010	4/1/2030	US Bank	Recovery Zone Projects	All	10,329,949	N	\$ 716,000		110,250		135,250		\$ 245,500		110,250		360,250		\$ 470,500									
11	2010B TABs	Bonds Issued After 12/31/10	12/6/2010	4/1/2028	US Bank	Northwest Project Area	All	3,806,310	N	\$ 290,900				77,950		\$ 77,950				212,950		\$ 212,950									
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	All	1,415,879	N	\$ 153,582			1,693	35,098		\$ 36,791			1,210	115,581		\$ 116,791									
13	1995R Casa Ramona Sr Housing	Revenue Bonds Issued On or Before 12/31/10	6/19/1995	7/1/2025	US Bank	Ramona Sr Housing Complex	All	1,309,924	N	\$ 136,544			14,778	18,494		\$ 33,272			45,472	57,800		\$ 103,272									
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	All	-	Y	\$ -						\$ -						\$ -									
16	CMB-Export \$8,000,000 Notes (Interest Only)	Third-Party Loans	9/1/2010	10/1/2016	CMB Export Infrastructure Group	Various construction projects per agreement (See EO # 127 for principal reduction payment)	All	-	Y	\$ -						\$ -						\$ -									
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	All	1,037,717	N	\$ 596,598				582,023		\$ 582,023				14,575		\$ 14,575									
18	Arden-Guthrie Sec. 108 Bonds	Bonds Issued On or Before 12/31/10	7/24/2006	8/1/2025	Bank of New York	North Arden/Guthrie Project -- Subordinate Credit to CDBG	All	7,143,837	N	\$ -						\$ -						\$ -									
19	Hill wood-DDA TI Reimbursement	OPA/DDA/Construction	9/18/2006	4/27/2021	Hillwood Properties	Tax Sharing Agreement - Warehouse Facility	All	685,684	N	\$ 685,684				685,684		\$ 685,684						\$ -									
20	BP CA - Site Remediation	OPA/DDA/Construction	10/7/2002	9/30/2018	BP Cal	Tax Sharing Agreement - Site Remediation	All	226,219	N	\$ 41,413				41,413		\$ 41,413						\$ -									
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	All	238,466	N	\$ 23,045				23,045		\$ 23,045						\$ -									
28	2006 TABs	Bonds Issued On or Before 12/31/10	3/20/2006	5/1/2027	US Bank	LMHF Projects/Programs	All	-	Y	\$ -						\$ -						\$ -									
30	PERS - Unfunded Pension Obligation	Unfunded Liabilities	6/30/2010	8/10/2045	CalPERS	The amount of the unfunded pension obligation was established by Cal PERS	All	3,894,909	N	\$ 305,219				305,219		\$ 305,219						\$ -									
31	Retiree Health Benefit	Miscellaneous	6/23/2005	8/10/2045	Various Retired Employees	Retiree Supplemental Health Benefit per Agency Policy	All	1,134,000	N	\$ 37,800				18,900		\$ 18,900				18,900		\$ 18,900									
32	Successor Agency Admin.	Admin Costs	2/1/2012	4/1/2030	Various Employees & Vendors	Various admin activities in support of the dissolution of the former RDA (equals 3% of excel Cell N-6)	All	6,113,408	N	\$ 541,103					388,990	\$ 388,990					152,113	\$ 152,113									
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	2,900,000	N	\$ 1,432,000			265,000	451,000		\$ 716,000		265,000		451,000		\$ 716,000									
41	Auto Plaza - Reader Board	OPA/DDA/Construction	5/17/2010	4/1/2030	Citizens Business Bank	Loan Guarantee Only	All	720,502	N	\$ -						\$ -						\$ -									
82	HSC 34171 (d)(1)(A) Reserve	Bonds Issued On or Before 12/31/10	3/2/1998	4/1/2030	US Bank	Replenishment of DSR Draws -- Deferred Due to Insufficient RPTTF	All	-	Y	\$ -						\$ -						\$ -									
84	Securities Servicing	Fees	3/2/1998	4/1/2030	US Bank	Securities Servicing of all Bonds	All	662,000	N	\$ 130,000				65,000		\$ 65,000				65,000		\$ 65,000									
87	Carousel Mall Past Due Prop. Tax	Miscellaneous	7/1/2010	4/1/2030	SB County Tax Collector	Prop. Taxes Assumed at Foreclosure - Deferred Due to Insufficient Projected RPTTF	All	-	Y	\$ -						\$ -						\$ -									
88	ACAA Limited Partnership Purchase Money Note	Third-Party Loans	5/19/2011	6/1/2012	ACAA Limited Partnership	ACAA Limited Partnership Purchase Money Note	All	-	Y	\$ -						\$ -						\$ -									
95	Unfunded Statutory Prior-Year Pass-Through Obligations, Pre-RDA Dissolution	Miscellaneous	2/12/2014	4/1/2030	San Bernardino City Unified School District	Unfunded Statutory Prior-Year Pass-Through Obligations, Pre-RDA Dissolution (as authorized by DOF for ROPS 14-15B)	All	1,030,851	N	\$ 1,030,851				1,030,851		\$ 1,030,851						\$ -									
96	Reimbursement Agreement for Debt Service on 1999 COPs	Bonds Issued On or Before 12/31/10	9/29/1999	9/1/2024	City of San Bernardino	Reimbursement for Debt Service for 1999 COPs (201 Bldg. & South Valle)	All	5,881,251	N	\$ 635,126				523,063		\$ 523,063				112,063		\$ 112,063									
113	Unfunded Statutory Prior-Year Pass-Through Obligations, Pre-RDA Dissolution	Miscellaneous	2/12/2014	4/1/2030	San Bernardino County Superintendent of Schools	Unfunded Statutory Prior-Year Pass-Through Obligations, Pre-RDA Dissolution (as authorized by DOF for ROPS 14-15B)	All	234,326	N	\$ 234,326				234,326		\$ 234,326						\$ -									
114	Unfunded Statutory Prior-Year Pass-Through Obligations, Pre-RDA Dissolution	Miscellaneous	9/12/2013	4/1/2030	San Bernardino Community College Dist.	Unfunded Statutory Prior-Year Pass-Through Obligations, Pre-RDA Dissolution (as authorized by DOF for ROPS 14-15B)	All	29,528	N	\$ 29,528				29,528		\$ 29,528						\$ -									
115	Third-Party Related Litigation	Litigation	2/1/2012	4/1/2030	Successor Agency Counsel	Third-Party Related Litigation; On-going and Anticipated.	All	100,000	N	\$ 100,000				50,000		\$ 50,000				50,000		\$ 50,000									
116	Real Property Security Services	Property Maintenance	9/15/2014	6/30/2017	Platinum Security, Inc.	Night-time Mobile Security Guard Services - After Business Hours	All	209,308	N	\$ 209,308				104,654		\$ 104,654				104,654		\$ 104,654									
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 - ROPS "B" Cycle Only	All	202,500	N	\$ 13,500						\$ -				13,500		\$ 13,500									
123	Real Property Security Services	Property Maintenance	1/5/2015	6/30/2017	Capital Protection, Inc.	Theater Square Security Services - During Business Hours	All	114,000	N	\$ 114,000				57,000		\$ 57,000				57,000		\$ 57,000									
124	Phase II Soil Remediation Plan for former TBA Site at Carousel Mall	Remediation	7/20/2015	12/31/2015	To be Selected	Phase II Soil Remediation Plan for former TBA Site at Carousel Mall	All	-	Y	\$ -						\$ -						\$ -									
125	2016 Refunding TABs (Interest Portion Only)	Refunding Bonds Issued After 6/27/12	11/1/2015	12/1/2031	US Bank	Refunding TABs of the 1998B, 2002, 2002A and 2006 TABs and the 2010 and 2011 EB-5 Notes	All	14,875,808	N	\$ 2,297,206				1,405,822		\$ 1,405,822				891,384		\$ 891,384									



**San Bernardino City Recognized Obligation Payment Schedule (ROPS 16-17) - 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 [CASH BALANCE TIPS SHEET](#).

A	B	C	D	E	F	G	H	I	
	Cash Balance Information by ROPS Period	Fund Sources						Comments	
		Bond Proceeds		Reserve Balance		Other	RPTTF		
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin		
<b>ROPS 15-16A Actuals (07/01/15 - 12/31/15)</b>									
1	Beginning Available Cash Balance (Actual 07/01/15)	24,437,535		2,498,871		1,651,666	42,640	The amount in Cell C-1 is the sum of \$10,670,365 of DSRF, \$5,020,382 of 2005 TABs Indenture-Required DSRF, and \$8,746,788 of unspent bond proceeds available for projects post-FOC. The sum of the amounts in Cells E-1 and G-1 equals \$4,150,537, which is based on a funding reconciliation as of 6-30-15. See Notes Page for details on the amounts reported in Cells E-1 and G-1. Cell H-1 is the ROPS 15-16A PPA (i.e., \$42,640).	
2	Revenue/Income (Actual 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015					2,409,634	16,185,056	Cell G-2 equals the sum of \$1,704,000 in condemnation proceeds, \$489,420 of rental income and \$216,214 of projected third-party contributions to debt service. Cell H-2 equals the amount of RPTTF received from the CAC.	
3	Expenditures for ROPS 15-16A Enforceable Obligations (Actual 12/31/15)			1,778,369		2,657,352	16,227,696	The \$1,778,369 in Cell E-3 contributes to the \$1,949,036 OFA DDR payment to the CAC. The \$170,667 balance due on the OFA DDR plus the \$100,000 LMIHF DDR payment to the CAC (for a total of \$270,667) are included on Cell G-3. Cell G-3 also includes a \$1,704,000 contribution to repay the 2009 EB-5 Notes, \$232,685 for third-party contributions to debt service and \$450,000 for property maintenance (i.e., EO No. 38).	
4	Retention of Available Cash Balance (Actual 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 15-16A RPTTF Balances Remaining	No entry required							
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 24,437,535	\$ -	\$ 720,502	\$ -	\$ 1,403,948	\$ -		
<b>ROPS 15-16B Estimate (01/01/16 - 06/30/16)</b>									
7	Beginning Available Cash Balance (Actual 01/01/16) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 24,437,535	\$ -	\$ 720,502	\$ -	\$ 1,403,948	\$ -		
8	Revenue/Income (Estimate 06/30/16) RPTTF amounts should tie to the ROPS 15-16B distribution from the County Auditor-Controller during January 2016	4,139,639				613,175	17,848,349	Cell C-8 equals the DSRF replenishment amount per EO # 82 on ROPS 15-16B. Cell G-8 equals \$450,00 of estimated rental income and \$163,175 of third party debt service payments for ROPS 15-16B.	
9	Expenditures for ROPS 15-16B Enforceable Obligations (Estimate 06/30/16)	5,352,130				613,175	17,848,349	Cell C-9 equals the DSRFs that were transferred to the DSRF for the 2016 Refunding TABs.	
10	Retention of Available Cash Balance (Estimate 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							Cell E-11 equals the compensating balance with CBB related to EO # 41. Cell G-11 includes \$1,131,423 for the LMIHF DDR Installment Payment Agreement and a \$272,525 rental income shortfall reserve.	
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 23,225,044	\$ -	\$ 720,502	\$ -	\$ 1,403,948	\$ -		

**San Bernardino City Recognized Obligation Payment Schedule (ROPS 16-17) - Notes July 1, 2016 through June 30, 2017**

Item #	Notes/Comments
	<b>ROPS DETAIL</b>
3	None.
4	EO # 4 was re-financed as a part of the 2016 Refunding TABs.
6	EO # 6 was re-financed as a part of the 2016 Refunding TABs.
7	EO # 7 was re-financed as a part of the 2016 Refunding TABs.
8	None.
9	None.
10	For the 2010A bonds, the contribution from the federal government to offset interest costs is subject to being reduced by sequestration.
11	None.
12	For the 1995H Bonds, the owner's contribution is equal to the estimated amount applicable during the current ROPS cycle. The owner's contribution tends to vary by payment period.
13	For the 1995R Bonds, the owner's contribution is equal to the estimated amount applicable during the current ROPS cycle. The owner's contribution tends to vary by payment period.
15	EO # 15 was re-financed as a part of the 2016 Refunding TABs.
16	EO # 16 was re-financed as a part of the 2016 Refunding TABs.
17	None.
18	The Arden-Guthrie Section 108 (CDBG) Loan has an RDA stand-by guaranty that may only be called upon if the CDBG funds during any year are insufficient to make debt service. Since CDBG revenue is projected to be sufficient during ROPS 16-17 A and B, no current payment is needed from RPTTF.
19	The payments for all tax sharing agreements are conditioned upon the recipient meeting certain prerequisites with respect to the payment of current property taxes. To the extent that such preconditions are projected to be accomplished during a ROPS cycle, a current payment allocation will be requested. If it is projected that the necessary prerequisites will not be accomplished during a ROPS cycle, then payments pursuant to the obligating agreement will be deferred to a future ROPS cycle.
20	The payments for all tax sharing agreements are conditioned upon the recipient meeting certain prerequisites with respect to the payment of current property taxes. To the extent that such preconditions are projected to be accomplished during a ROPS cycle, a current payment allocation will be requested. If it is projected that the necessary prerequisites will not be accomplished during a ROPS cycle, then payments pursuant to the obligating agreement will be deferred to a future ROPS cycle.
24	The payments for all tax sharing agreements are conditioned upon the recipient meeting certain prerequisites with respect to the payment of current property taxes. To the extent that such preconditions are projected to be accomplished during a ROPS cycle, a current payment allocation will be requested. If it is projected that the necessary prerequisites will not be accomplished during a ROPS cycle, then payments pursuant to the obligating agreement will be deferred to a future ROPS cycle.
28	EO # 28 was re-financed as a part of the 2016 Refunding TABs.
30	Pursuant to Cal PERS letter invoice dated October 2014, Cal PERS is now billing annually for unfunded pension obligations. The annual payments will be placed on the "B" cycle ROPS.
31	None.
32	The amount of this EO is equal to 3% of the sum of the amounts indicated in columns "P" and "V".
38	None.
41	The Auto Plaza Reader Board Loan Guaranty may only be called on if the San Bernardino Auto Center Association, Inc. fails to make a debt service payment to Citizens Business Bank (CBB). No such payment failure is anticipated during ROPS 16-17 A and B. If a default occurs, the Successor Agency has a collateral loan account (Certificate of Deposit Account No. 2459956614) with CBB that will be used satisfy the default. The amount on deposit in the collateral loan account is \$720,502 as is reported as part of the Successor Agency retained balances under Column E on the Cash Balance Report.
82	EO # 82 has been retired.
84	None.
87	EO # 87 has been retired.
88	With the approval of the LRPMP, EO # 88 may now be resolved through the LRPMP process. Therefore, EO # 88 has been retired.
95	This item consists of unfunded Prior-Year Pass-Through Payment Obligations. The SBCUSD has asked for DOF reconsideration of this EO.
96	None.
113	This item consists of unfunded Prior-Year Pass-Through Payment Obligations. The SBCSS has asked for DOF reconsideration of this EO.
114	This item consists of unfunded Prior-Year Pass-Through Payment Obligations. The SBCCD has asked for DOF reconsideration of this EO.



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

**Meeting Date:** February 1, 2016  
**To:** Oversight Board Members  
**From:** Lisa Connor, Oversight Board Secretary  
**Subject:** Proposed Bond Expenditure Agreement

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**RECOMMENDATION:** Adopt the attached resolution approving a Bond Expenditure Agreement between the Successor Agency to the Redevelopment Agency of the City of San Bernardino and the City of San Bernardino and approving certain related actions.

**BACKGROUND:** Pursuant to Health and Safety Code ("HSC") § 34172 (a) (1), the Redevelopment Agency of the City of San Bernardino was dissolved February 1, 2012. Consistent with the provisions of the HSC, on January 9, 2012 the Mayor and Common Council of the City of San Bernardino elected to serve in the capacity of the Successor Agency. 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.

HSC § 34191.4 (c) allows a successor agency that has received a Finding of Completion (the "FOC") to use bond proceeds from bonds issued prior to 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds (the "Excess Bond Proceeds") obligations that shall be listed separately on a successor agency's Recognized Obligation Payment Schedule (the "ROPS"). HSC § 34191.4 (c) also allows a successor agency that has received a FOC to expend a percentage of proceeds of bonds in excess of amounts needed to satisfy enforceable obligations.

The HSC provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies. HSC § 33220 authorizes a city to aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects. HSC § 34178 (c) allows a successor agency and its sponsoring city to enter into agreements for the purpose of conducting the work of winding-down the former redevelopment agency as set forth in HSC § 34177.3 (b), subject to the obtaining the approval of its oversight board.

The City is in a better position, in terms of technical staff and convenience of operation without necessity of convening oversight board meetings for discrete actions, to hold, invest and expend bond proceeds. It is now proposed that the Oversight Board approve the transfer of bond proceeds, as described below, to the

City as more particularly set forth in the Bond Expenditure Agreement substantially in the form submitted herewith (the "Bond Expenditure Agreement").

The Successor Agency has Excess Bond Proceeds in the amount of \$6,045,230 from the San Bernardino Joint Powers Financing Authority Tax Allocation Bonds Series 2010A (4th Street Corridor Project-Federally Taxable Recovery Zone Economic Development Bonds)(the "2010A TABs") and \$2,701,558 from its San Bernardino Joint Powers Financing Authority Tax Allocation Bonds Series 2010B (Northwest Redevelopment Project Area)(the "2010B TABs, and together with the 2010B TABs, the "TABs") that together total \$8,746,788 that are to be transferred to the City of San Bernardino (the "City") to facilitate the handling of proceeds of the TABs as more particularly provided herein in conformity with the covenants applicable to each of the TAB issues. Pursuant to HSC § 34191.4 (c), the Excess Bond Proceeds from the 2010A TABs and a certain percentage of Excess Bond Proceeds from the 2010B TABs may be expended, as more fully set forth in the Bond Expenditure Agreement. Excerpts from the Official Statements for both TABs that provide a listing of the projects that the former redevelopment agency intended to finance with bond proceeds are attached. The selection of specific projects to be funded with Excess Bond Proceeds will occur at a later date. As a consequence of receiving its FOC on December 22, 2015, the Successor Agency may now utilize its Excess Bond Proceeds from the 2010A TABs and a portion of the Excess Bond Proceeds from the 2010B TABs for their intended purposes.

The Successor Agency does not have the technical capability of causing the development of capital projects; however, the City of San Bernardino (the "City") does have the requisite technical capability of causing the development of capital projects. Consistent with the foregoing, the Successor Agency desires to provide the Excess Bond Proceeds to the City for the purpose of enabling the City to use such funds in the manner consistent with the covenants applicable to the TABs.

The transfer of the Excess Bond Proceeds to the City for administration and application in the manner consistent with the covenants applicable to the TABs is evidenced in the Bond Expenditure Agreement between the Successor Agency and the City, which is included as Exhibit "A" to the attached Resolution. In addition, the Bond Expenditure Agreement has been added to the Successor Agency's ROPS 16-17 A and B and both the Agreement and the ROPS are subject to approval by the Oversight Board.

Therefore, consistent with the foregoing, the Bond Expenditure Agreement is recommended for approval. In addition, the Bond Expenditure Agreement will be presented to the City and the Successor Agency during their meeting of February 16, 2016.

**FISCAL IMPACT:** Approval of the Bond Expenditure Agreement will enable the Successor Agency to ensure that its Excess Bond Proceeds are used for their intended purpose in an expeditious manner.

**Attachment:** Resolution.



1           **WHEREAS**, HSC § 34178 (c) allows a successor agency and its sponsoring city to enter  
2 into agreements for the purpose of conducting the work of winding-down the former redevelopment  
3 agency as set forth in HSC § 34177.3 (b), subject to the obtaining the approval of its oversight  
4 board; and

5           **WHEREAS**, as a consequence of receiving its FOC on December 22, 2015, the Successor  
6 Agency may now utilize its Excess Bond Proceeds for their intended purposes, subject to the terms  
7 and limitations set forth in that certain Bond Expenditure Agreement between the Successor Agency  
8 and the City, which is attached hereto as Exhibit "A" (the "Bond Expenditure Agreement"); and

9           **WHEREAS**, the Successor Agency has Excess Bond Proceeds in the amount of \$6,045,230  
10 from the San Bernardino Joint Powers Financing Authority Tax Allocation Bonds Series 2010A (4<sup>th</sup>  
11 Street Corridor Project-Federally Taxable Recovery Zone Economic Development Bonds)(the  
12 2010A TABs") and \$2,701,558 from the San Bernardino Joint Powers Financing Authority Tax  
13 Allocation Bonds Series 2010B (Northwest Redevelopment Project Area)(the "2010B TABs" and,  
14 together with the 2010 TABs, the "TABs") together totaling \$8,746,788 that is to be transferred to  
15 the City to facilitate the handling of proceeds of the TABs as more particularly set forth in the Bond  
16 Expenditure Agreement in conformity with covenants applicable to each of the TAB issues; and

17           **WHEREAS**, the Successor Agency does not have the technical capability of causing the  
18 development of capital projects; however, the City of San Bernardino (the "City") does have the  
19 requisite technical capability of causing the development of capital projects; and

20           **WHEREAS**, consistent with the foregoing recital, the Successor Agency desires to provide  
21 the Excess Bond Proceeds to the City for the purpose of enabling the City to use such funds in the  
22 manner consistent with the covenants applicable to the TABs; and

23           **WHEREAS**, the transfer of the Excess Bond Proceeds to the City for use in the manner  
24 consistent with the covenants applicable to the TABs is evidenced in the Bond Expenditure  
25 Agreement between the Successor Agency and the City, attached hereto as Exhibit "A"; and

26           **WHEREAS**, consistent with the foregoing, the Bond Expenditure Agreement is  
27 recommended for approval; and

22

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

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

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

7           **Section 2.**     The Bond Expenditure Agreement between the Successor Agency and the  
8 City, which is attached hereto as Exhibit "A", is approved.

9           **Section 3.**     The City Manager, as the Successor Agency's Executive Director or  
10 designee, is authorized to take such actions and execute such documents as are necessary to  
11 effectuate the intent of this Resolution.

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

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1           **RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR**  
 2           **AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN**  
 3           **BERNARDINO APPROVING A BOND EXPENDITURE AGREEMENT**  
 4           **BETWEEN THE SUCCESSOR AGENCY TO THE REDEVELOPMENT**  
              **AGENCY OF THE CITY OF SAN BERNARDINO AND THE CITY OF SAN**  
              **BERNARDINO AND APPROVING CERTAIN RELATED ACTIONS**

5 PASSED, APPROVED AND ADOPTED THIS 1st day of February 2016, by the following vote:

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

16 \_\_\_\_\_  
 Lisa Connor, Secretary

17 The foregoing Resolution is hereby approved this 1st day of February, 2016.

20 \_\_\_\_\_  
 James P. Morris, Chairman  
 Oversight Board for the  
 21 Successor Agency to the Redevelopment  
 22 Agency of the City of San Bernardino

24

**BOND EXPENDITURE AGREEMENT  
BETWEEN THE  
SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY  
OF THE CITY OF SAN BERNARDINO  
AND THE  
CITY OF SAN BERNARDINO**

**(See Attachment)**

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## **BOND EXPENDITURE AGREEMENT**

This Bond Expenditure Agreement (the "Agreement") is entered into on February 16, 2016, by and between the City of San Bernardino, a municipal corporation (the "City") and the Successor Agency to the Redevelopment Agency of the City of San Bernardino (the "Successor Agency"). The City and the Successor Agency are collectively referred to herein as "Parties" or individually referred to as a "Party".

### **RECITALS**

**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, on January 9, 2012 the Mayor and Common Council of the City of San Bernardino 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 (the "Oversight Board") has been established pursuant to HSC § 34179 to assist in the wind-down of the dissolved redevelopment agency; and

**WHEREAS**, HSC § 34191.4 (c) allows a successor agency that has received a Finding of Completion (the "FOC") to use bond proceeds from bonds issued prior to 2011 and a percentage of proceeds from bonds issued between January 1, 2011 and June 27, 2011 for purposes for which the bonds were sold, provides that such proceeds in excess of amounts needed to satisfy approved enforceable obligations shall be expended in a manner consistent with the original bond covenants, and further provides that such expenditures shall constitute excess bond proceeds (the "Excess Bond Proceeds") obligations that shall be listed separately on a successor agency's Recognized Obligation Payment Schedule (the "ROPS"); and

**WHEREAS**, the HSC provides for a cooperative relationship between cities and their redevelopment agencies, as well as their successor agencies who have assumed the duties and obligations of the former redevelopment agencies; and

**WHEREAS**, HSC § 33220 authorizes a city to aid and cooperate in the planning, undertaking, construction, or operation of redevelopment projects; and

**WHEREAS**, HSC § 34178 (c) allows a successor agency and its sponsoring city to enter into agreements for the purpose of conducting the work of winding-down the former redevelopment agency as set forth in HSC § 34177.3 (b), subject to the obtaining the approval of its oversight board; and

**WHEREAS**, as a consequence of receiving its FOC on December 22, 2015, the Successor Agency may now utilize its Excess Bond Proceeds for their intended purposes; and

**WHEREAS**, the Successor Agency has Excess Bond Proceeds in the amount of \$6,045,230 from the San Bernardino Joint Powers Financing Authority Tax Allocation Bonds Series 2010A (4<sup>th</sup> Street Corridor Project-Federally Taxable Recovery Zone Economic Development Bonds)(the “2010A TABs”) and \$2,701,558 from its San Bernardino Joint Powers Financing Authority Tax Allocation Bonds Series 2010B (Northwest Redevelopment Project Area)(the “2010B TABs, and together with the 2010B TABs, the “TABs”) that together total \$8,746,788 that are to be transferred to the City of San Bernardino (the “City”) to facilitate the handling of proceeds of the TABs as more particularly provided herein in conformity with the covenants applicable to each of the TAB issues; and

**WHEREAS**, the Successor Agency does not have the technical capability of causing the development of capital projects; however, the City does have the requisite technical capability of causing the development of capital projects; and

**WHEREAS**, pursuant to this Agreement, the Successor Agency desires to provide the Excess Bond Proceeds to the City for the purpose of enabling the City to use such funds in the manner consistent with the covenants applicable to the 2010A TABs and, as further set forth in Section 2 below, a portion of the 2010 TABs; and

**WHEREAS**, the Parties intend that this Agreement shall constitute an excess bonds proceeds obligation within the meaning of HSC § 34191.4 (c) to be paid from Excess Bond Proceeds; and

**WHEREAS**, the Successor Agency has listed this Agreement inclusive of the requirement to transfer Excess Bond Proceeds to the City on its ROPS 16-17 A & B as an obligation to be funded with Excess Bond Proceeds.

**NOW, THEREFORE**, in consideration of the mutual promises, covenants and conditions set forth hereinafter, the parties agree as follows:

**1. Incorporation.** The foregoing Recitals are true and correct and are a substantive part of this Agreement.

**2. Successor Agency’s Obligations:** Subsequent to the Effective Date, as defined below, the Successor Agency shall: i) transfer to the City all of the Excess Bond Proceeds from the TABs, plus all interest accrued thereon up to the date of such transfer; and ii) assign to the City all duties and responsibilities with respect to the administration of any capital projects that are funded with Excess Bond Proceeds, including without limitation, as set forth therefor in the indenture or indentures of trust under which the TABs were issued.

**3. City’s Obligations:** The City shall have the following obligations under this Agreement:

a) **Retention of Excess Bond Proceeds:** The City shall accept, hold, and disburse Excess Bond Proceeds transferred to the City pursuant to this Agreement, including current Excess Bond

Proceeds and future Excess Bond Proceeds. The City shall retain any Excess Bond Proceeds that it receives and shall use such funds for uses consistent with applicable bond covenants.

b) Use of Excess Bond Proceeds: The City may spend Excess Bond Proceeds received or retained under this Agreement on any project, program, or activity authorized by the Mayor and the Common Council of the City (the "Selected Projects"). The Selected Projects may include projects that are described in the Official Statement for the TABs, as depicted on Exhibit "A" hereto, or as otherwise allowable under the tax certificate executed and delivered for all or a portion of the TABs. Expenditure of proceeds from the 2010B TABs shall be subject to HSC § 34191.4(c)(2) as it may be amended from time to time. Further, the City must spend the Excess Bond Proceeds consistent with the original bond covenants applicable to the particular Excess Bond Proceeds, and must comply with all requirements of the federal tax law and all applicable requirements of the HSC as to the use of such funds. The City shall be solely responsible for ensuring that Excess Bond Proceeds are maintained and spent in accordance with bond covenants and other applicable laws.

The City shall indemnify and defend the Successor Agency, and its officers and agents, against, and shall hold the Successor Agency, and its officers and agents, harmless from, any claims causes of action, or liabilities arising from any use of Excess Bond Proceeds by the City that is inconsistent with or unallowable pursuant to the applicable bond covenant or the failure of the City to ensure that Excess Bond Proceeds are used in accordance with bond covenants, federal tax law, and the HSC.

The City assumes all contracts, if any, entered into by the Successor Agency or the former redevelopment agency related to activities to be funded by Excess Bonds Proceeds, with the exception of those contracts retained by the Successor Agency relating to Enforceable Obligations. The City shall perform its obligations hereunder, and under such assumed contracts, in accordance with the applicable provisions of federal, state and local laws, including the obligation to comply with environmental laws such as CEQA, and shall timely complete the work required for each project.

c) Investment of bond proceeds: Until expended, City will cause proceeds of the 2010B TABs to be invested in tax-exempt obligations.

#### **4. Entire Agreement; Waivers; and Amendments:**

a) This Agreement constitutes the entire understanding and agreement of the Parties with respect to the transfer and use of Excess Bond Proceeds. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the Parties with respect to the subject matter of this Agreement.

b) This agreement is intended solely for the benefit of the City and the Successor Agency. Notwithstanding any reference in this Agreement to persons or entities other than the City and the Successor Agency, there shall be no third party beneficiaries under this agreement.

c) All waivers of the provisions of the Agreement and all amendments to this Agreement must be in writing and signed by the authorized Representative of the Parties.

**5. Severability:** If any term, provisions, covenant or condition to this Agreement is held by a court of competent jurisdiction to be invalid, void of unenforceable, the remainder of the provisions shall continue in full force and effect unless the rights and obligations of the Parties have been materially altered or abridged by such invalidation, voiding or unenforceability. In addition, the Parties shall cooperate in good faith in an effort to amend or modify this Agreement in a manner such that the purpose of any invalidated or voided provision, covenant, or condition can be accomplished to the maximum extent legally permissible.

**6. Further Assurances:** Each Party agrees to execute, acknowledge and deliver all additional documents and instruments, and to take such other actions as may be reasonably necessary to carry out the intent of this agreement.

**7. Effective Date:** This Agreement shall only be effective subsequent to its approval by the Successor Agency's Oversight Board and the California Department of Finance.

**8. Governing Law:** This Agreement shall be construed and interpreted according to the laws of the State of California.

**IN WITNESS WHEREOF,** the Parties have executed this Agreement as of the dates indicated below.

**CITY OF SAN BERNARDINO**

By: \_\_\_\_\_  
R. Carey Davis, Mayor

Date: \_\_\_\_\_

**SUCCESSOR AGENCY TO THE  
REDEVELOPMENT AGENCY OF THE CITY  
OF SAN BERNARDINO**

By: \_\_\_\_\_  
R. Carey Davis, Chairman

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Gary D. Saenz, City Attorney

**ATTEST:**

By: \_\_\_\_\_  
Georgeann Hanna, City Clerk

**EXCERPTS FROM THE OFFICIAL STATEMENTS  
FOR THE  
2010A AND 2010B TAX ALLOCATION BONDS  
DESCRIBING THE PROJECT**

**Project Description for the 2010A Tax Allocation Bonds (taken from page 3 from the Official Statement)**

The 4<sup>th</sup> Street is designated as the "4<sup>th</sup> Street Corridor" in Downtown San Bernardino from "E" Street west to "H" Street and from 2<sup>nd</sup> street north to 5th Street. 4<sup>th</sup> Street was formerly the major access route to the Interstate-215 Freeway ("I-215"). The California Department of Transportation ("Caltrans") currently has underway I-215 widening and construction and reconfiguration of on- and off-ramps to the I-215. Due to the closure of the off-ramps at this location, the Agency plan for this 3 block areas is to limit 4<sup>th</sup> Street to 2 travel lanes with pedestrian friendly walking areas and limited vehicular access. The Agency proposes to alter the width of the streets to remove 2 travel lanes plus the current curb-side parking and install decorative paving stones and other amenities that will denote this area as the "Theater District." The "Theater District" is anchored by the historic 1,760 seat California Theatre constructed in 1928 and the Agency owned 20-plex theater facility.

The projects the Agency intends to finance with the proceeds of the Bonds are as follows:

<u>Items</u>	<u>Estimated Cost</u>
4 <sup>th</sup> Street from E Street to H Street – Redesign/construct 4 <sup>th</sup> Street to 2 travel lanes with pedestrian friendly walking areas, limited vehicular access, restriping, and streetscape including, but not limited to: landscaping, medians, lighting, signage, signalization, public areas, water features.	\$2,000,000
5 <sup>th</sup> Street from E Street to H Street – Freeway gateway and streetscape including, but not limited to: landscaping, medians, lighting, signage, signalization, public areas, water features.	\$600,000
Court Street from E Street to Arrowhead Avenue – Streetscape including, but not limited to: landscaping, medians, lighting, signage, signalization, public areas, water features.	\$450,000
E Street from 5 <sup>th</sup> Street to 2 <sup>nd</sup> Street – Streetscape including, but not limited to: landscaping, medians, lighting, signage, signalization, public areas, water features.	\$400,000
F Street – 5 <sup>th</sup> Street to 4 <sup>th</sup> Street – Streetscape including, but not limited to: landscaping, medians, lighting, signage, signalization, public areas, water features.	\$400,000
Streetscape 2 <sup>nd</sup> Street from I-215 to E Street – Freeway gateway and streetscape including, but not limited to: landscaping, medians, lighting, signage, signalization, public areas, water features.	\$650,000
Theater Square – public areas, utilities, water features development pads.	\$650,000
Temporary Bus Facility Infrastructures – streetscape, on-site vehicular infrastructure; public building renovations.	\$400,000
Convention Center – streetscape, utilities, public areas.	\$300,000
Reader Board Sign.	\$900,000

Various Northwest Redevelopment Project Area infrastructure projects.	\$950,000
Contingency (unused funds to Northwest Redevelopment Project Area).	\$550,000
<b>Total:</b>	<b>\$8,250,000</b>

**Project Description for the 2010B Tax Allocation Bonds (taken from page 3 from the Official Statement)**

The Project is expected to include various infrastructure improvements throughout the Project Area. The projects the Agency intends to finance with the proceeds of the Bonds are as follows:

<u>Items</u>	<u>Estimated Cost</u>
Various Neighborhood street light and street construction projects.	\$1,500,000
Baseline at California – right-of-way easement, curb/gutter/sidewalk.	\$350,000
West Highland Corridor Improvements between Macy Street and California Street – the design/reconstruction of street including storm drains, sewer, streetscapes, landscaping, upgrade signage and signalization, utilities, curb and gutter, sidewalk; façade improvement; demolition of buildings; clearance of parcels along the south side of West Highland.	\$800,000
I-210/State Street Corridor Infrastructure Improvements from State Street exit to Lytle Creek – the design/reconstruction of street including storm drains, sewer, streetscapes, landscaping, upgrade signage and signalization, utilities, curb and gutter, sidewalk; other development incentives.	\$950,000
Various land acquisition/assembly projects, demolition of blighted properties, etc.	\$2,300,000
Southeast corner of Highland and Medical Center Drive – sidewalk, curb and gutter; additional street lighting; undergrounding of utilities; upgrade to mains sewer connection.	\$830,000
Medical Center Drive South of the Magnolia at Highland Project – sidewalk, curb and gutter; additional street lighting; undergrounding of utilities; upgrade to main sewer connection.	\$450,000
Highland Avenue west of Medical Center Drive – the design/reconstruction of street including storm drains, sewer, streetscapes, landscaping, upgrade signage and signalization, utilities, curb and gutter sidewalk.	\$1,000,000
<b>Total:</b>	<b>\$8,180,000</b>

**Note:** The total amount of the listed projects exceeds the amount of net bond proceeds for both TABs. Accordingly, the bond proceeds were not considered the sole source of funding for the sum of the listed projects. The bond documents do not identify the supplemental funding sources.



December 17, 2015

Mr. Bill Manis, Deputy City Manager  
San Bernardino City  
300 North D Street, 6th Floor  
San Bernardino, CA 94218

Dear Mr. Manis:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated November 13, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the San Bernardino City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16B) to Finance on September 30, 2015, for the period of January 1 through June 30, 2016. Finance issued a ROPS determination letter on November 13, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on November 30, 2015.

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 determinations being disputed.

- Item No. 82 – Debt Service Reserve Fund (DSRF) Replenishment in the amount of \$4,138,810. Finance no longer reclassifies this item to Other Funds and increases this item by \$920. During the January through June 2014 (ROPS 13-14B) and the July through December 2014 (ROPS 14-15A) periods, Finance approved this item from Other Funds, which was related to the prior period adjustment (PPA) that was available from the July through December 2013 period (ROPS 13-14A) review. During the Meet and Confer process, the Agency contended that the Other Funds were related to PPA amounts that have already been expended on other enforceable obligations as approved by Finance. Finance confirmed that the Other Funds were related to the PPA and has now confirmed that the PPA amounts have been reported as fully expended on other enforceable obligations. The Agency also provided the Holdings Report dated December 1, 2015, to support the current balances for each DSRF account. The current shortfall in the DSRF accounts totals \$4,139,730. Therefore, Finance approves \$4,139,730 from the Redevelopment Property Tax Trust Fund (RPTTF).

Once again, Finance notes that 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. As such, the funds requested to replenish each DSRF account should be transferred upon receipt to the bond trustee(s) prior to making any other payments on approved ROPS 15-16B items. Any requests to fund this item again in future ROPS periods will be denied as Finance has now approved funding for this item on four separate ROPS.

However, due to the Agency's gross mismanagement of funds received in prior ROPS periods, the Agency has repeatedly chosen to directly violate the law and either fund items not approved by Finance or not fund approved enforceable obligations in the order prescribed in statute. Specifically, the shortages in the DSRF accounts began when the Agency paid unallowable obligations in the July through December 2012 period (ROPS II) period. During ROPS II, Finance approved \$12,857,031 from the RPTTF and the Agency received \$11,165,764. Of the approved amount, debt service totaled \$9,930,335, which was \$1,235,429 less than the actual distribution. As such, the Agency should not have used bond reserves to make debt service payments because sufficient funding was received to cover all debt service payments for that period. Pursuant to HSC section 34183 (a) (2) (A) the Agency was required to make bond payments the first priority for payment from distributed RPTTF; however, the Agency instead chose to pay items not approved by Finance and allowed their bonds to go into technical default by having the trustee pay the debt service due from the DSRF accounts.

During the ROPS 13-14A, Finance approved \$6,408,144 in RPTTF funding for this item. In total, Finance approved \$17,569,239 in RPTTF funds for ROPS 13-14A enforceable obligations, and applied a prior period adjustment (PPA) from ROPS II 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 (CAC). Consequently, sufficient RPTTF funding was available to replenish the required reserves for the ROPS 13-14A period, including the funding that was available from the PPA of \$5,876,914. However, the Agency, once again, chose to violate the law and fund other items first.

- Item No. 87 – Carousel Mall Past Due Property Tax in the amount of \$1,075,248. Finance continues to deny \$177,333 of this item. The Agency's request 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. The Agency contends this item only represents taxes incurred before the former Redevelopment Agency (RDA) acquired the Carousel Mall through a foreclosure process. These taxes became an obligation of the former RDA when it acquired the Carousel Mall by foreclosure in February 2011; consequently, this obligation became the obligation of the Agency when the Agency recovered the Carousel Mall site from the San Bernardino Economic Development Corporation (SBEDC) on December 17, 2014.

Finance approved OB Resolution No. SBOB/2013-04 approving the Agency's acceptance of the assets back from SBEDC through our determination letter dated March 13, 2014. However, Finance initially denied this item because the Agency did not provide any documentation to support the amount claimed.

During the Meet and Confer process, the Agency provided printouts from the San Bernardino County Tax Assessor on the amounts due for nine parcels of the Carousel

Mall property. The amounts were split between secured and unsecured property tax bills. Based on information on the printouts and the San Bernardino County Tax Assessor website, an unsecured property tax bill is the responsibility of the owner at the time of the bill, not the current owner. Therefore, \$897,915 related to secured property tax bills is an enforceable obligation and \$177,333 (\$1,075,248 - \$897,915) related to unsecured property tax bills is not an enforceable obligation and is not eligible for RPTTF funding.

- Item No. 96 – Reimbursement Agreement for Debt Service on the 1999 Certificates of Participation (COP) in the amount of \$424,795 was not allowed. Finance no longer denies this item. According to the Agency, the reimbursement amount is comprised of \$123,063 and \$301,732, totaling \$424,795, which must be carried-forward from ROPS 15-16A to ROPS 15-16B. The carry-forward amount could not be paid on ROPS 15-16A due to an RPTTF shortfall during ROPS 15-16A. However, Finance initially denied this item because the Agency did not provide sufficient documentation to support the amounts claimed.

During the Meet and Confer process, the Agency contended that in order to pay off the 2009 EB-5 Note, the City of San Bernardino (City) agreed to postpone receipt of its reimbursement in the amount of \$301,732. Based on a review of the various funding sources and items approved to pay the 2009 EB-5 Note, the Agency had a shortfall in funding in the amount of \$301,732 related to this item in ROPS 15-16A. Additionally, Finance verified the amount due for the ROPS 15-16B period on the portion of the COP related to the South Valley Lease and 201 North E Street Lease is \$123,063. Therefore, Finance approves \$424,795 from the RPTTF for this item.

- Item No. 127 – CMB-Export Notes in the amount of \$8,000,000 was not allowed. Finance continues to deny this item. It is our understanding this item represents the principal repayment portion of the 2010 EB-5 Notes with a maturity date of October 1, 2016. However, Finance denied this item because the 2010 EB-5 Notes will be subsumed by the 2015 Refunding TABs, which will consist of refinancing the 1998B, 2002, 2002A, and 2006 TABs, and the 2010 and 2011 Notes. Finance approved the 2015 Refunding TABs via OB Resolution No. SBOB 2015-05 on July 24, 2015. According to the Agency, the 2015 Refunding TABs are slated to be refunded next month.

During the Meet and Confer process, the Agency contended that this item would be needed if Item No. 82 were to be denied. Since Finance is approving Item No. 82, funding for this item is no longer necessary, and this item is not eligible for RPTTF funding on this ROPS.

In addition, per Finance's letter dated November 13, 2015, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item No. 6 – 2002A Tax Allocation Bonds (TAB) debt service payment in the amount of \$177,725 has been adjusted. At the Agency's request, Finance reduced the amount by \$95,000. Therefore, Finance approves \$82,725 (\$177,725 - \$95,000) in RPTTF funding for this item this ROPS period.

- Item No. 8 – 2005A TAB debt service payment in the amount of \$391,424 has been adjusted. It is our understanding the Agency requested the incorrect amount for this item and has requested an increase of \$502,967. Therefore, Finance approves \$894,391 (\$391,424 + \$502,967) in RPTTF for this item this ROPS period.
- Item No. 9 – 2005B TAB debt service payment in the amount of \$208,773 has been adjusted. It is our understanding the Agency requested the incorrect amount for this item and has requested an increase of \$123,865. Therefore, Finance approves \$332,638 (\$208,773 + \$123,865) in RPTTF for this item this ROPS period.
- Item No. 128 – Tax Liability Due for 1998B TAB in the amount of \$3,500,000 has been adjusted. This item is a tax liability due to the US Internal Revenue Service (IRS) resulting from the 1998B TABs, which were 'advanced refunded' three times instead of the two allowable 'advanced refunding's' for that bond issue.

The requested amount is the maximum calculated penalty pursuant to the IRS Voluntary Closing Agreement Program. However, based on a new development, the IRS derived a new method of calculating the penalty, and the final settlement payment to the IRS is now expected not to exceed \$1,400,000. Therefore, Finance approves \$1,400,000 (\$3,500,000 - \$2,100,000) in Bond Proceeds for this item this ROPS period.

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). 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 Agency's self-reported prior period adjustment.

In addition, Finance noted the Agency's expenditures exceeded Finance's authorization for the following items on the ROPS 14-15B prior period adjustment worksheet:

- Item Nos. 10, 13, 38, and 119, Other Funds totaling \$2,044,243.

Per HSC section 34177 (a) (3), only those payments listed on a ROPS may be made by the Agency from the funds specified on the ROPS up to the amount authorized by Finance. HSC sections 34177 (a) (4) and 34173 (h) (1) 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 the items denied in whole or in part, or reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16B. The Agency's maximum approved RPTTF distribution for the reporting period is \$17,848,349 as summarized in the Approved RPTTF Distribution table on the next page:

<b>Approved RPTTF Distribution</b>	
<b>For the period of January through June 2016</b>	
Total RPTTF requested for non-administrative obligations	24,750,672
Total RPTTF requested for administrative obligations	742,521
<b>Total RPTTF requested for obligations on ROPS 15-16B</b>	<b>\$ 25,493,193</b>
RPTTF adjustment to non-administrative obligations	
Item No. 8	502,967
Item No. 9	123,865
Item No. 82	920
<b>Total RPTTF adjustments</b>	<b>\$ 627,752</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>25,378,424</b>
<u>Denied Items</u>	
Item No. 6	(95,000)
Item No. 87	(177,333)
Item No. 127	(8,000,000)
	<u>(8,272,333)</u>
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 17,106,091</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>742,521</b>
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 742,521</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 17,848,612</b>
ROPS 14-15B prior period adjustment	(263)
<b>Total RPTTF approved for distribution</b>	<b>\$ 17,848,349</b>

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (I) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

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

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2016. This determination only applies to items when 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 ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a

Mr. Bill Manis  
December 17, 2015  
Page 6

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.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Lisa Connor, Project Manager, San Bernardino City  
Ms. Linda Santillano, Property Tax Manager, San Bernardino County



December 22, 2015

Mr. Bill Manis, Deputy City Manager  
San Bernardino City  
300 North D Street, 6th Floor  
San Bernardino, CA 94218

Dear Mr. Manis:

Subject: Finding of Completion

The California Department of Finance (Finance) has completed the Finding of Completion for the City of San Bernardino Successor Agency (Agency).

Pursuant to Health and Safety Code (HSC) section 34179.7, the Agency has entered into a written installment plan with Finance for payment of the amounts determined under HSC section 34179.6, subdivisions (d) or (e) and HSC section 34183.5.

This letter serves as notification that a Finding of Completion has been granted. The Agency may now do the following:

- Place loan agreements between the former redevelopment agency and sponsoring entity on Recognized Obligation Payment Schedules, as enforceable obligations, provided the oversight board makes a finding the loans were for legitimate redevelopment purposes, per HSC section 34191.4 (b) (1). Loan repayments will be governed by criteria in HSC section 34191.4 (b).
- Utilize proceeds derived from bonds, pursuant to the conditions outlined in HSC section 34191.4 (c).

Please note that pursuant to HSC 34197.7 (c), if the Agency fails to fully make one or more payments agreed to in the written installment plan, the benefits noted above may be revoked.

Additionally, the Agency is required to submit a Long-Range Property Management Plan to Finance for review and approval.

Please direct inquiries to Derk Symons, Staff Finance Budget Analyst, or Chris Hill, Principal Program Budget Analyst, at (916) 445-1546.

Sincerely,

JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Lisa Connor, Project Manager, San Bernardino City  
Ms. Linda Santillano, Property Tax Manager, San Bernardino County



December 31, 2015

Mr. Bill R. Manis, Deputy City Manager  
City of San Bernardino  
300 North D Street  
San Bernardino, CA 92418

Dear Mr. Manis:

Subject: Long-Range Property Management Plan

Pursuant to Health and Safety Code (HSC) section 34191.5 (b), the San Bernardino City Successor Agency (Agency) submitted an Oversight Board (OB) approved Long-Range Property Management Plan (LRPMP) to the California Department of Finance (Finance) on September 15, 2015. The Agency subsequently submitted a revised LRPMP to Finance on December 28, 2015. Finance has completed its review of the LRPMP, which included obtaining clarification for various items.

The Agency received a Finding of Completion on December 22, 2015. Further, based on our review and application of the law, Finance is approving the Agency's use or disposition of all the properties listed on the LRPMP. Our approval of the LRPMP also took into account the following items:

- Item No. 6 – The San Manuel Stadium. The permissible use as stated in the LRPMP matrix is Governmental Use. However, the Agency provided two alternatives in case Governmental Use was not allowable. Finance has determined that Governmental Use is not allowable, with Sale of the Stadium remaining as the only alternative in line with the Dissolution Statutes. When sold, the Agency should remit the sale proceeds to the San Bernardino County Auditor-Controller for distribution to the affected taxing entities, or retain the sales proceeds to fulfill enforceable obligations.
- As stated in Section II, LRPMP: Property Inventory Data/Matrix, in the event of contradictions between the Property Inventory Matrix and the LRPMP Narrative, information contained in the Property Inventory Matrix shall govern the disposition of all properties in the LRPMP.
- The plan states the Agency will transfer future development properties to the City of San Bernardino (City) subsequent to securing a compensation agreement with the affected taxing entities. However, Finance reminds the Agency that the transfer of properties is deemed effective upon Finance's approval of the LRPMP.
- Costs incurred in the implementation of the approved LRPMP are subject to Finance's review and approval on a subsequent Recognized Obligation Payment Schedule before they can be considered enforceable.

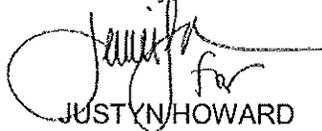
Mr. Bill R. Manis  
December 31, 2015  
Page 2

In accordance with HSC section 34191.4 (a), upon receiving a Finding of Completion from Finance and approval of a LRPMP, all real property and interests in real property shall be transferred to the Community Redevelopment Property Trust Fund of the Agency, unless that property is subject to the requirements of an existing enforceable obligation. Pursuant to HSC section 34191.3 (a) the approved LRPMP shall govern, and supersede all other provisions relating to, the disposition and use of all the real property assets of the former redevelopment agency.

Furthermore, the Dissolution Act does not provide an opportunity for a Meet and Confer related to Finance's review of the LRPMP.

Please direct inquiries to Nichelle Thomas, Supervisor, or Michael Barr, Lead Analyst at (916) 445-1546.

Sincerely,

A handwritten signature in black ink, appearing to read "Justyn Howard", with a large circular flourish on the left side. The signature is written over the printed name "JUSTYN HOWARD".

JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Lisa Connor, Project Manager, City of San Bernardino  
Ms. Linda Santillano, Property Tax Manager, San Bernardino County