



## CONSENT CALENDAR

### City of San Bernardino Request for Council Action

**Date:** November 20, 2024

**To:** Honorable Mayor and City Council Members

**From:** Rochelle Clayton, Acting City Manager;  
C. Jeannie Fortune, Interim Director of Finance & Management Services

**Department:** Finance & Management Services

**Subject:** **Resolution to Approve the Recognized Obligation Payment Schedule (ROPS) 2025-26 A and B (All Wards)**

**Recommendation:**

It is recommended that the Mayor and City Council of the City of San Bernardino, California, acting in its capacity as the Successor Agency to the Redevelopment Agency of the City of San Bernardino:

1. Adopt Resolution No. 2024-223 to Approve the Recognized Obligation Payment Schedule (ROPS) 25-26 A and B; and
2. Authorize the City Manager, as the Successor Agency's Executive Director or designee, to:
  - a. Transmit the ROPS 25-26 A and B to the State Department of Finance and other designated agencies as prescribed by the California Health and Safety Code (HSC);
  - b. Make ministerial revisions to ROPS 25-26 A and B, which may include, but are not limited to restating the information included within ROPS 25-26 A and B in any format that may be requested by the State Department of Finance;
  - c. Take such other actions and execute such other documents as are necessary to effectuate the ROPS; and
  - d. Implement ROPS 25-26 A and B on behalf of the Successor Agency, including authorizing and causing such payments as authorized by ROPS 25-26 A and B.

## **Executive Summary**

Approval of the ROPS is necessary to fulfill the statutory obligations of the former Redevelopment Agency of the City of San Bernardino, as required under California's Health and Safety Code and meet its outstanding financial commitments. There is no impact to the City's General Fund, as the payments under the ROPS will be made through the Redevelopment Property Tax Trust Fund (RPTTF). The City Manager, acting as Executive Director, is also authorized to transmit the ROPS, make revisions, and implement the approved schedule.

## **Background**

Pursuant to Health and Safety Code (the "HSC") §34172 (a)(1), the Redevelopment Agency of the City of San Bernardino was dissolved on February 1, 2012. Consistent with the provisions of the HSC, on January 9, 2012, the Mayor and City 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"). As part of the dissolution process, successor agencies must annually submit a Recognized Obligation Payment Schedule (ROPS), listing all enforceable obligations for the upcoming fiscal year. The ROPS outlines obligations such as bond payments, loan repayments, project contracts, and other enforceable financial commitments. Failure to submit or comply with ROPS requirements could result in penalties, including the withholding of property tax revenues that fund these obligations.

The San Bernardino County Wide Oversight Board (the "CWOB") was established effective July 1, 2018, pursuant to HSC §34179(j) to assist in the wind-down of dissolved redevelopment agencies within the County of San Bernardino. All of the local oversight boards in California were dissolved on June 30, 2018, by operation of law.

## **Discussion**

Per HSC § 34177 (o)(1), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule (the "ROPS") before each twelve-month fiscal year period. Pursuant to HSC § 34180 (g), CWOB approval is required for the establishment of each ROPS. HSC § 34177 (o)(1), requires that the Successor Agency submit a CWOB-approved ROPS 25-26 A and B for the period of July 2025 through June 2026 to the State Department of Finance (the "DOF"), State Controller's Office and the County Auditor-Controller no later than February 1, 2025 (the "Submission Deadline").

The RPS includes a detailed list of enforceable obligations, such as:

- **Bond Debt Service Payments** - The redevelopment agency issued bonds to fund large-scale infrastructure and development projects. These bonds still require repayment through property tax increment revenues that are now administered through the RPTTF.
- **Administrative Costs** – The Successor Agency is entitled to receive a portion of the RPTTF to cover administrative costs associated with winding down the agency's activities. The ROPS attachment includes a detailed description of these costs.

Following approval by the Mayor and City Council of the City of San Bernardino, California, acting in its capacity as the Successor Agency to the Redevelopment Agency of the City of San Bernardino, the Countywide Oversight Board will consider approval of the Successor Agency's ROPS 25-26 A and B on December 6, 2024, after which, will be sent to the Department of Finance prior to February 1, 2025.

### **2021-2025 Strategic Targets and Goals**

Approval of the ROPS 2024-25 aligns with Key Target No. 1: Improved Operational & Financial Capacity by ensuring that the financial and administrative requirements to dissolve the former redevelopment agency are completed in accordance with all relevant statutes.

### **Fiscal Impact**

As this is a Successor Agency action, there is no direct fiscal impact to the General Fund from this action. The total enforceable obligations expected to be paid primarily by the Redevelopment Property Tax Trust Fund (RPTTF) are \$8,139,630.

### **Conclusion**

It is recommended that the Mayor and City Council of the City of San Bernardino, California, acting in its capacity as the Successor Agency to the Redevelopment Agency of the City of San Bernardino:

1. Adopt Resolution No. 2024-223 to Approve the Recognized Obligation Payment Schedule (ROPS) 25-26 A and B; and
2. Authorize the City Manager, as the Successor Agency's Executive Director or designee, to:
  - a. Transmit the ROPS 25-26 A and B to the State Department of Finance and other designated agencies as prescribed by the California Health and Safety Code (HSC);
  - b. Make ministerial revisions to ROPS 25-26 A and B, which may include, but are not limited to restating the information included within ROPS 25-26 A and B in any format that may be requested by the State Department of Finance;
  - c. Take such other actions and execute such other documents as are necessary to effectuate the ROPS; and
  - d. Implement ROPS 25-26 A and B on behalf of the Successor Agency, including authorizing and causing such payments as authorized by ROPS 25-26 A and B.

### **Attachments**

Attachment 1 – Resolution No. 2024-223

Attachment 2 – Resolution No. 2024-223, Exhibit A, Recognized Obligation Payment Schedule-ROPS 2025-26

**Ward:**

All Wards

**Synopsis of Previous Council Actions:**

The Successor Agency considers the adoption of the ROPS annually. ROPS 25-26 represents the fourteenth (14th) fiscal year for the winding down of the former redevelopment agency activities.