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RESOLUTION NO. SBOB/2015-08

A 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

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, per HSC § 34177 (l)(1), the Successor Agency is required to prepare a Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period, which corresponds to equal halves of a fiscal year (i.e., January through June and July through December); and

WHEREAS, pursuant to HSC § 34180 (g), Oversight Board approval is required for the establishment of each ROPS; and

WHEREAS, pursuant to HSC § 34177 (m), an Oversight Board-approved ROPS 15-16B for the period of January through June 2016 must be submitted to the County Auditor-Controller, County Administrative Officer, the State Controller and the State Department of Finance not later than October 5, 2015; and

WHEREAS, pursuant to HSC § 34177, the Successor Agency is legally required to continue to make payments due for enforceable obligations; and

1 **WHEREAS**, the Oversight Board’s approval of the establishment of ROPS 15-16B will
2 ensure that the Successor Agency has the authority to continue to pay its enforceable obligations;
3 and

4 **WHEREAS**, it is proposed that the Oversight Board approve the establishment of the
5 Successor Agency’s ROPS 15-16B, which is attached hereto as Exhibit “A”; and

6 **WHEREAS**, in addition to the foregoing, the attached ROPS 15-16B includes an
7 enforceable obligation for a tax penalty with respect to the former redevelopment agency’s
8 1998B Tax Allocation Bonds (see enforceable obligation No. 128) for which further information
9 related to this matter is included within the correspondence received from bond counsel that is
10 attached hereto as Exhibit “B”; and

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

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

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

17 **Section 2.** The Successor Agency’s ROPS 15-16B for the period of January through
18 June 2016, which is attached hereto as Exhibit “A”, is approved, inclusive of each enforceable
19 obligation.

20 **Section 3.** The City Manager, as the Successor Agency’s Executive Director or
21 designee, is authorized to: i) post that ROPS 15-16B on the City’s website, ii) transmit the ROPS
22 15-16B to the County Auditor-Controller, the County Administrative Officer, the State
23 Controller and the State Department of Finance for their review within the timeframe and in the
24 manner prescribed by the HSC; and iii) make ministerial revisions to ROPS 15-16B, which may
25 include, but are not limited to restating the information included within ROPS 15-16B in any
26 format that may be requested by the State Department of Finance, take such other actions and
27 execute such other documents as are necessary to effectuate the intent of this Resolution, and to

28

1 implement ROPS 15-16B on behalf of the Successor Agency, including authorizing and causing
2 such payments.

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

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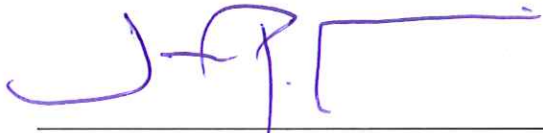
A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SAN BERNARDINO APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 15-16B FOR THE PERIOD OF JANUARY THROUGH JUNE 2016 AND APPROVING CERTAIN RELATED ACTIONS

PASSED, APPROVED AND ADOPTED THIS 28th day of September 2015, by the following vote:

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


Secretary

The foregoing Resolution is hereby approved this 28th day of September 2015.


James P. Morris, Chairman
Oversight Board for the
Successor Agency to the Redevelopment
Agency of the City of San Bernardino

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**SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY OF SAN BERNARDINO
RECONGNIZED OBLIGATION PAYMENT SCHEDULE 15-16B
(January through June 2016)**

(See Attachment)

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

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

Current Period Requested Funding for Outstanding Debt or Obligation		Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):		\$ 4,113,175
B	Bond Proceeds Funding (ROPS Detail)	3,500,000
C	Reserve Balance Funding (ROPS Detail)	-
D	Other Funding (ROPS Detail)	613,175
E Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 25,493,193
F	Non-Administrative Costs (ROPS Detail)	24,750,672
G	Administrative Costs (ROPS Detail)	742,521
H Total Current Period Enforceable Obligations (A+E):		\$ 29,606,368

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
I	Enforceable Obligations funded with RPTTF (E):	25,493,193
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column S)	(263)
K Adjusted Current Period RPTTF Requested Funding (I-J)		\$ 25,492,930

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding		
L	Enforceable Obligations funded with RPTTF (E):	25,493,193
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA)	-
N Adjusted Current Period RPTTF Requested Funding (L-M)		25,493,193

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

San Bernardino City Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P	
										M						Six-Month Total
										Funding Source						
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			RPTTF			
Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin												
Item #	Project Name / Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	Bond Proceeds	Reserve Balance	Other Funds	Non-Admin	Admin	Six-Month Total	
								\$ 281,628,039		\$ 3,500,000	\$ -	\$ 613,175	\$ 24,750,672	\$ 742,521	\$ 29,606,368	
3	1998A TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	US Bank	Central City RDA Projects	M/CC	7,485,875	N				1,277,244		\$ 1,277,244	
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	4,042,349	N				569,900		\$ 569,900	
6	2002A TABs	Bonds Issued On or Before 12/31/10	3/4/2002	2/1/2031	US Bank	Mt Vernon Project Area	MTV	4,564,815	N				177,725		\$ 177,725	
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	24,154,208	N				1,968,838		\$ 1,968,838	
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	44,166,597	N				391,424		\$ 391,424	
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	16,391,854	N				208,773		\$ 208,773	
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	10,793,324	N			116,493	346,882		\$ 463,375	
11	2010B TABs	Bonds Issued On or Before 12/31/10	12/6/2010	4/1/2028	US Bank	Northwest Project Area	NW	4,033,610	N				227,300		\$ 227,300	
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	1,525,711	N			1,210	108,250		\$ 109,460	
13	1995R Casa Ramona Sr Housing	Revenue Bonds Issued On or Before 12/31/10	6/19/1995	7/1/2025	US Bank	Ramona Sr Housing Complex	MTV	1,410,756	N			45,472	55,360		\$ 100,832	
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		1	Y					\$ -	
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	11,050,000	N				262,500		\$ 262,500	
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)	IVDA	420,000	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	1,639,739	N				22,023		\$ 22,023	
18	Arden-Guthrie Sec. 108 Bonds	Bonds Issued On or Before 12/31/10	7/24/2006	8/1/2025	Bank of New York	North Arden/Guthrie Project -- Subordinate Credit to CDBG	IVDA	6,084,000	N						\$ -	
19	Hillwood-DDA T1 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	226,219	N				-		\$ -	
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	198,196	N				-		\$ -	
28	2006 TABs	Bonds Issued On or Before 12/31/10	3/20/2006	5/1/2027	US Bank	LMIHF Projects/Programs	CCN	23,607,111	N				2,167,824		\$ 2,167,824	
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	4,163,616	N				268,707		\$ 268,707	
31	Retiree Health Benefit	Miscellaneous	6/23/2005	8/10/2045	Various Retired Employees	Retiree Supplemental Health Benefit per Agency Policy	ALL	825,000	N				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	6,855,929	N					742,521	\$ 742,521	
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	4,250,000	N			450,000	900,000		\$ 1,350,000	
41	Auto Plaza - Reader Board	OPA/DDA/Construction	5/17/2010	4/1/2030	Citizens Business Bank	Loan Guarantee Only	SEIP	714,413	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	4,138,810	N				4,138,810		\$ 4,138,810	
84	Securities Servicing	Fees	3/2/1998	4/1/2030	US Bank	Securities Servicing of all Bonds	ALL	726,191	N				65,000		\$ 65,000	

San Bernardino City Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
 January 1, 2016 through June 30, 2016
 (Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K					P
										Funding Source					
										Non-Redevelopment Property Tax Trust Fund (Non-RPTTF)			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	Non-Admin	Admin	Six-Month Total
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	1,075,248	N				1,075,248		\$ 1,075,248
88	ACAA Limited Partnership Purchase Money Note	Third-Party Loans	5/19/2011	6/1/2012	ACAA Limited Partnership	ACAA Limited Partnership Purchase Money Note	ALL	1	N						\$ -
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	1,192,547	N				1,192,547		\$ 1,192,547
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	6,306,046	N				424,795		\$ 424,795
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	52,172	N				52,172		\$ 52,172
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	358,105	N				358,105		\$ 358,105
115	Third-Party Related Litigation	Litigation	2/1/2012	4/1/2030	Special Counsel	Third-Party Related Litigation; Ongoing and Anticipated.	ALL	50,000	N				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	313,152	N				103,845		\$ 103,845
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	216,000	N				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	171,000	N				55,000		\$ 55,000
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	241,000	N						\$ -
125	2015 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	14,397,883	N				-		\$ -
126	2015 Refunding TABs (Principal Reduction 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	58,725,000	N				-		\$ -
127	CMB-Export \$8,000,000 Notes (Principal Reduction Portion Only)	Third-Party Loans	9/1/2010	9/1/2016	CMB Export Infrastructure Group	Various construction projects per agreement (See EO # 127 for principal reduction payment)	ALL	8,000,000	N				8,000,000		\$ 8,000,000
128	Tax Liability Due for 1998B TABs	Bonds Issued On or Before 12/31/10	3/2/1998	7/1/2020	U.S. Internal Revenue Service	Tax Liability Due for 1998B TABs (See Notes Form)	ALL	3,500,000	N	3,500,000					\$ 3,500,000
129	Solar Power Purchase Agreement	Unfunded Liabilities	11/25/2009	11/24/2029	RDA Solar I, LLC	Payment for unfunded obligations for solar power	ALL	560,000	N				40,000		\$ 40,000
130									N						\$ -
131									N						\$ -
132									N						\$ -
133									N						\$ -
134									N						\$ -
135									N						\$ -
136									N						\$ -
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138									N						\$ -
139									N						\$ -
140									N						\$ -
141									N						\$ -
142									N						\$ -
143									N						\$ -

San Bernardino City Recognized Obligation Payment Schedule (ROPS 15-16B) - 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		
ROPS 14-15B Actuals (01/01/15 - 06/30/15)									
1	Beginning Available Cash Balance (Actual 01/01/15)							The amount in Cell C-1 is the sum of \$10,664,933 of DSRF, \$5,020,382 of 2005 TABs Indenture-Required DSRF, and \$8,765,147 of unspent pre-2011 bond proceeds available for projects post-FOC. The sum of the amounts in Cells E-1 and G-1 equals \$5,284,270, which is the Ending Actual Available Cash Balance on 12-31-14, as reported in Cells E-6 and G-6 of the Cash Balance Report for ROPS 14-15A. See Notes Page for details on the amounts reported in Cells E-1 and G-1, and for details on the amounts reported in Column E. Cell H-1 is the sum of the PPAs for ROPS 14-15B (i.e., \$1,519,467) and ROPS 15-16A (i.e., \$42,640).	
		24,450,462		4,098,025		1,186,245	1,562,107		
2	Revenue/Income (Actual 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015					765,675	15,617,533	Cell G-2 consists of \$221,814 of third party contributions to debt service and \$543,861 of rental income. The amount shown in Cell H-2 is \$1,952,627 less than the amount authorized by DOF in its letter of 11-14-15.	
3	Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q			183,135		1,861,108	17,137,000	Cells E-3, G-3, H-3 and H-4 equal \$19,181,243, which ties to the PPA form.	
4	Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)								
5	ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S			No entry required				263	
6	Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ 24,450,462	\$ -	\$ 3,914,890	\$ -	\$ 90,812	\$ 42,377		
ROPS 15-16A Estimate (07/01/15 - 12/31/15)									
7	Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6)	\$ 24,450,462	\$ -	\$ 3,914,890	\$ -	\$ 90,812	\$ 42,640		
8	Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015					2,463,214	16,185,056	Cell G-8 equals the sum of \$1,704,000 in condemnation proceeds, \$543,000 of projected rental income and \$216,214 of projected third-party contributions to debt service. Cell H-8 equals the amount of RPTTF received from the CAC.	
9	Expenditures for ROPS 15-16A Enforceable Obligations (Estimate 12/31/15)					2,386,685	16,227,696	Cell G-9 consists of 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).	
10	Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)							Of the amounts shown in Cell E-11, \$713,413 represents a compensating balance deposit securing a loan from Citizen's Business Bank to the San Bernardino Auto Center Assoc., Inc. and \$1,864,145 represents the amount to be distributed to the CAC as the OFA DDR payment during ROPS 15-16A. The beginning balance is unaudited.	
11	Ending Estimated Available Cash Balance (7 + 8 - 9 - 10)	\$ 24,450,462	\$ -	\$ 3,914,890	\$ -	\$ 167,341	\$ -		

San Bernardino City Recognized Obligation Payment Schedule (ROPS 15-16B) - Notes
January 1, 2016 through June 30, 2016

Item #	Notes/Comments
	ROPS DETAIL FORM
3	None.
4	The 1998B TABs will be subsumed by the 2015 Refunding TABs slated to close during ROPS 15-16A, but after ROPS 15-15B is filed with DOF. The amount of debt service indicated will be contributed to the 2015 Refunding TABs debt service. Notwithstanding the foregoing, it is possible that the 2015 Refunding TABs may close at a later time.
6	The 2002A TABs will be subsumed by the 2015 Refunding TABs slated to close during ROPS 15-16A, but after ROPS 15-15B is filed with DOF. The amount of debt service indicated will be contributed to the 2015 Refunding TABs debt service. In addition, to ensure that adequate RPTTF is available to make the principal reduction payment during the second half of 2016 and consistent with the Indenture, the debt service amount indicated on ROPS 15-16B includes the principal reduction payment. Notwithstanding the foregoing, it is possible that the 2015 Refunding TABs may close at a later time.
7	The 2002 TABs will be subsumed by the 2015 Refunding TABs slated to close during ROPS 15-16A, but after ROPS 15-15B is filed with DOF. The amount of debt service indicated will be contributed to the 2015 Refunding TABs debt service. Notwithstanding the foregoing, it is possible that the 2015 Refunding TABs may close at a later time.
8	To ensure that adequate RPTTF is available to make the principal reduction payment on the 2005A TABs during the second half of 2016 and consistent with the Indenture, the debt service amount indicated on ROPS 15-16B includes the principal reduction payment.
9	To ensure that adequate RPTTF is available to make the principal reduction payment on the 2005B TABs during the second half of 2016 and consistent with the Indenture, the debt service amount indicated on ROPS 15-16B includes the principal reduction payment.
10	None.
11	None.
12	For the 1995H Bonds, the owner's contribution is equal to the estimated amount applicable during the current ROPS cycle.
13	For the 1995R Bonds, the owner's contribution is equal to the estimated amount applicable during the current ROPS cycle.
14	None.
15	The 2011 EB-5 Notes will be subsumed by the 2015 Refunding TABs slated to close during ROPS 15-16A, but after ROPS 15-15B is filed with DOF. The amount of debt service indicated will be contributed to the 2015 Refunding TABs debt service.
16	The 2010 EB-5 Notes will be subsumed by the 2015 Refunding TABs slated to close during ROPS 15-16A, but after ROPS 15-15B is filed with DOF. The amount of debt service indicated will be contributed to the 2015 Refunding TABs debt service.
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 15-16B, 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	The 2006 TABs will be subsumed by the 2015 Refunding TABs slated to close during ROPS 15-16A, but after ROPS 15-15B is filed with DOF. The amount of debt service indicated will be contributed to the 2015 Refunding TABs debt service. Notwithstanding the foregoing, it is possible that the 2015 Refunding TABs may close at a later time.
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 column "N".
38	None.

San Bernardino City Recognized Obligation Payment Schedule (ROPS 15-16B) - Notes
January 1, 2016 through June 30, 2016

Item #	Notes/Comments
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 15-16B. 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 \$714,413 as is reported as part of the Successor Agency retained balances under Column E on the Cash Balance Report.
82	Payment for the DSRF shortfalls was previously deferred until certain PPAs were applied by the Successor Agency to past ROPS. Since those PPAs have now been fully applied, the Successor Agency is now eligible to fund these obligations with RPTTF.
84	Trustee fees for Successor Agency TABs. This EO includes approximately a \$20,000 carry-forward for fees due during ROPS 15-16A that were in excess of the requested authorization.
87	DOF denied this item in the past based in part on its belief that some the unpaid property taxes on the Carousel Mall were incurred after the property was transferred from the RDA to the SBEDC. However, the item represents only taxes incurred before the RDA acquired the Carousel Mall through a foreclosure process. These taxes became an obligation of the RDA when it acquired the Carousel Mall by foreclosure in February 2011. These obligations became an obligation of the Successor Agency when, as directed by DOF, the Successor Agency recovered the Carousel Mall site from the SBEDC on December 17, 2014.
88	This EO may be resolvable on the LRPMP. If so, then it may be removed from future ROPS.
95	This item consists of unfunded Prior-Year Pass-Through Payment Obligations that were approved by DOF for ROPS 14-15B. Due to an RPTTF shortfall, funding for this EO needed to be diverted to debt service.
96	The \$424,795 requested for EO # 96 includes the ROPS 15-16B reimbursement of \$123,063 and \$301,732 that must be carried-forward from ROPS 15-16A to ROPS 15-16B. The carry-forward amount could not be paid during ROPS 15-16A due to an RPTTF shortfall during ROPS 15-16A the required the reprioritization of RPTTF to fund debt service on the 2009 Notes.
113	This item consists of unfunded Prior-Year Pass-Through Payment Obligations that were approved by DOF for ROPS 14-15B. Due to an RPTTF shortfall, funding for this EO needed to be diverted to debt service.
114	This item consists of unfunded Prior-Year Pass-Through Payment Obligations that were approved by DOF for ROPS 14-15B. Due to an RPTTF shortfall, funding for this EO needed to be diverted to debt service.
115	None.
116	None.
120	None.
123	None.
124	As directed by DOF, on December 17, 2014, the Successor Agency recovered the Carousel Mall site from the SBEDC. The former Tire Battery and Accessories (TBA) portion of the Site requires a Phase II Soil Remediation Plan. The budget for this plan is based on an engineer's estimate of the costs for soil sampling and for preparing the plan. A qualified consultant will be selected subsequent to sufficient funding availability. Due to the probability of a funding shortfall, this EO will be continued to a future ROPS.
125	The 2015 Refunding TABs will refinance the 1998B, 2002, 2002A and 2006 TABs and the 2010 and 2011 Notes. The 2015 Refunding TABS were approved by DOF on 7-24-15. The 2015 Refunding TABs are anticipated to close by the end of 2015, but after the ROPS 15-16B is filed with DOF. The debt service shown on the ROPS Detail form for the refunded obligations will be used for the debt service due for the 2015 Refunding TABs. Notwithstanding the foregoing, it is possible that the 2015 Refunding TABs may close at a later time.
126	The 2015 Refunding TABs will refinance the 1998B, 2002, 2002A and 2006 TABs and the 2010 and 2011 Notes. The 2015 Refunding TABS were approved by DOF on 7-24-15. The 2015 Refunding TABs are anticipated to close by the end of 2015, but after the ROPS 15-16B is filed with DOF. The debt service shown on the ROPS Detail form for the refunded obligations will be used for the debt service due for the 2015 Refunding TABs. Notwithstanding the foregoing, it is possible that the 2015 Refunding TABs may close at a later time.
127	This EO is for the principal repayment portion of the 2010 EB-5 Notes. The full amount is requested in the event that the ROPS 16-17A cycle has insufficient funds to payoff the notes. The 2010 EB-5 Notes will be subsumed by the 2015 Refunding TABs slated to close during ROPS 15-16A, but after ROPS 15-15B is filed with DOF. The amount of debt service indicated will be contributed to the 2015 Refunding TABs debt service. Notwithstanding the foregoing, it is possible that the 2015 Refunding TABs may close at a later time.
128	EO # 128 is the calculated maximum tax liability due to the U.S. Internal Revenue Service ("IRS") resulting from the 1998B TABs, which were "Advanced Refunded" three times instead of the two such advanced refundings that were allowable for that bond issue. The amount indicated is the maximum calculated penalty pursuant to the IRS Voluntary Closing Agreement Program. This matter has been reviewed by DOF Counsel (i.e., Shelly Renner, Esq.). Further the Successor Agency intends to negotiate with the IRS to reduce the penalty. The payment of the penalty will be funded from the \$5,020,382 of 2002 TABs Indenture-Required Trust Account, which is included within Cell C-1 of the Cash Balances Form. The \$1,520,382 difference between the \$3,500,000 that may be required for the tax penalty and the \$5,020,382 held in the 2002 TABs Indenture-Required Trust Account will be contributed to the 2015 Refunding TABs and allocated to the refunding of the 2002 Bonds.

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EXHIBIT "B"

**CORRESPONDENCE FROM BOND COUNSEL
WITH RESPECT TO THE TAX PENALTY RELATED TO
THE FORMER REDEVELOPMENT AGENCY'S
1998B TAX ALLOCATION BONDS**

(See Attachment)



Memorandum

TO Successor Agency to the Redevelopment Agency of the City of San Bernardino
FROM Orrick, Herrington & Sutcliffe LLP (Bond Counsel and Special Tax Counsel)
DATE September 28, 2015
RE Summary of Liability Relating to IRS Settlement for Tax Violation

Orrick, Herrington & Sutcliffe LLP, as the Successor Agency's Bond and Tax Counsel in connection with its proposed refunding of various series of outstanding bonds, is providing the following as a footnote attachment for Item 128 of the Successor Agency's 15-16B ROPS.

After a detailed review of the San Bernardino Joint Powers Financing Authority's Tax Allocation Refunding Bonds Series 1998 A & B (the "1998 Bonds") it is clear that the Bonds violated one of the requirements for tax exemption. In addition, we have spoken with the Internal Revenue Service, on an anonymous basis, regarding the Bonds' tax violation and regarding the process and the potential settlement payment required to preserve the tax exemption on the Bonds so as to avoid the IRS from pursuing Bondholders to collect the federal tax which needs to be paid in respect of the interest received. The IRS personnel, with whom we spoke, were the head of the tax exempt bond group and the head of the IRS voluntary closing agreement program.

We have also had a detailed discussion with Shelly Renner and Kenny Louie regarding this tax issue and liability and believe they are fully apprised of the relevant facts and circumstances, as well as the need of the Successor Agency to have an identified source of payment for the tax liability. Ms. Renner indicated that it should appear on the 15-16B ROPS.

In terms of the potential settlement payment to the IRS, the amount required has a range of approximately \$1.2 million as a minimum, and as much as \$3.5 million as a maximum. The amounts are based on calculations of so-called "taxpayer exposure" which relates to the amount of income taxes the IRS views as having been lost, or to be lost in the future, as a result of not collecting federal income taxes on the interest paid on the Bonds. The method for calculating taxpayer exposure prescribed in the Internal Revenue Manual would result in a settlement payment at or closer to the high end of the range. The discussion with the IRS focused on attempts to convince the IRS that the amount to be paid should be at or closer to the lower part of



O R R I C K

September 28, 2015

Successor Agency to the Redevelopment Agency of the City of San Bernardino

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the range. The IRS personnel did not make any commitment as to how they thought they would be willing to resolve this tax controversy; however, they did commit to discuss the issues internally and would attempt to get back to us as quickly as possible.

As stated above, there is no doubt as to the violation and the need to make a settlement payment to the IRS. The only issue is the amount the IRS will require to settle the matter, in lieu of proceeding directly against Bondholders for the lost federal income taxes. The Successor Agency needs an available source of funds in the amount of the maximum taxpayer exposure of \$3.5 million to make the settlement payment in the 15-16B ROPS period.