



Transmitted via e-mail

April 6, 2021

Jason Kruckeberg, Assistant City Manager/Development Services Director
City of Arcadia
240 West Huntington Drive
Arcadia, CA 91006

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Arcadia Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022 (ROPS 21-22) to the California Department of Finance (Finance) on January 22, 2021. Finance has completed its review of the ROPS 21-22.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 4 – Legal Costs in the amount of \$5,000 has been reclassified. Payment for these types of services is considered a general administrative cost and the \$5,000 requested has been reclassified to Administrative Redevelopment Property Tax Trust Fund (RPTTF) funding.
- On the ROPS 21-22 form, the Agency reported cash balances and activity for the period July 1, 2018 through June 30, 2019 (ROPS 18-19). According to our review, the Agency has approximately \$22,245 from Reserve Balances and \$171,387 in Other Funds, totaling \$193,632, available to fund enforceable obligations on the ROPS 21-22. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. These items do not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source has been reclassified in the amounts specified on the following page. After the reclassifications, the Agency's cash balance shows \$32,222 (\$171,387 - \$139,165) in excess Other Funds. As such, \$32,222 should be available to fund enforceable obligations on subsequent ROPS.

Item No.	Item Name	Total Funding Approved	RPTTF Approved	Reserves Balances Approved	Other Funds Approved
3	Successor Agency Employees	\$17,500	\$8,750	\$0	\$8,750
4	Legal Costs	5,000	2,500	0	2,500
5	Administrative Overhead	25,800	12,900	0	12,900
6	Bond Trustee Services	5,500	2,750	0	2,750
9	Financial Auditing	6,000	3,000	0	3,000
16	Contract for Consulting Services	1,000	0	0	1,000
19	Tax Allocation Refunding Bonds Series 2020A	171,202	40,692	22,245	108,265
	Total	\$232,002	\$70,592	\$22,245	\$139,165

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 18-19 period. The ROPS 18-19 prior period adjustment (PPA) will offset the ROPS 21-22 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$0, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance does not object to the remaining items listed on the ROPS 21-22. If the Agency disagrees with our determination with respect to any items on the ROPS 21-22, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days from the date of this letter. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 21-22. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 21-22 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 21-22 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted 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 law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Kylie Oltmann, Supervisor, or Kassie Pas, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Robert Base, Accountant, City of Arcadia
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 93,851	\$ 94,851	\$ 188,702
Administrative RPTTF Requested	21,650	21,650	43,300
Total RPTTF Requested	115,501	116,501	232,002
RPTTF Requested	93,851	94,851	188,702
<u>Adjustment(s)</u>			
Item No. 4	(2,500)	(2,500)	(5,000)
Item No. 6	0	(2,750)	(2,750)
Item No. 9	0	(3,000)	(3,000)
Item No. 16	0	(1,000)	(1,000)
Item No. 19*	(44,909)	(85,601)	(130,510)
	(47,409)	(94,851)	(142,260)
RPTTF Authorized	46,442	0	46,442
Administrative RPTTF Requested	21,650	21,650	43,300
<u>Adjustment(s)</u>			
Item No. 3	0	(8,750)	(8,750)
Item No. 4**	2,500	0	2,500
Item No. 5	0	(12,900)	(12,900)
	2,500	(21,650)	(19,150)
Administrative RPTTF Authorized	24,150	0	24,150
ROPS 18-19 prior period adjustment (PPA)	(70,592)	0	(70,592)
Total RPTTF Approved for Distribution	\$ 0	\$ 0	\$ 0

*The \$130,510 figure for Item No. 19 reflects a combined adjustment of \$22,245 and \$108,265.

**The ROPS B period adjustment of \$0 for Item No. 4 reflects a net adjustment of \$2,500 reclassification from RPTTF to Administrative RPTTF and then to Other Funds.