



Transmitted via e-mail

April 12, 2021

Jennifer Schaefer, Finance/CDBG Manager
City of Corona
400 South Vicentia Avenue, Suite 310
Corona, CA 92882

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Corona 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 Nos. 47, 50, and 51 – Various Loan Agreements reported overstated outstanding balances. Pursuant to HSC section 34191.4 (b) (3), interest on the remaining outstanding principal amount of the loan shall be recalculated from the date of origination of the loan on a quarterly basis, at a simple interest rate of three percent, and repayments shall be applied first to principal, and second to interest. The total outstanding loan balances include miscalculated interest as well as repayments applied to interest prior to principal. After recalculating interest and adjusting applied payments, the total outstanding loan balances reported on the Agency's ROPS Detail Form have been adjusted as follows:
 - Item No. 47 – Main Street Project Area Loan Agreement in the total outstanding amount of \$121,260 is overstated and the requested amount of \$121,260 is not allowed. As a result, the amount of \$121,260 has been reduced to \$0. This obligation as been paid in full; therefore, the \$121,260 requested from Redevelopment Property Tax Trust Fund (RPTTF) funding is not allowed.
 - Item No. 50 – Temescal Canyon Project Area Loan Agreement in the total outstanding amount of \$483,469 is overstated and the requested amount of \$483,469 is partially allowed. As a result, the amount of \$483,469 has been reduced to \$301,379, only to allow the funds necessary to fulfill this obligation. Therefore, \$182,090 is not eligible for RPTTF funding.

- Item No. 51 – Temescal Canyon Project Area Loan Agreement in the total outstanding amount of \$218,034 is overstated and the requested amount of \$218,034 is partially allowed. As a result, the amount of \$218,034 has been reduced to \$153,010, only to allow the funds necessary to fulfill this obligation. Therefore, \$65,024 is not eligible for RPTTF funding.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2018 through June 30, 2019 (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 \$9,937,196, 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/>

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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 Todd Vermillion, Supervisor, or Brian Dunham, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Cynthia Lara, Administrative Services Manager, City of Corona
Pam Elias, Chief Accountant, Property Tax Division, Riverside County

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 6,604,879	\$ 3,952,750	\$ 10,557,629
Administrative RPTTF Requested	75,000	75,000	150,000
Total RPTTF Requested	6,679,879	4,027,750	10,707,629
RPTTF Requested	6,604,879	3,952,750	10,557,629
<u>Adjustment(s)</u>			
Item No. 47	(121,260)	0	(121,260)
Item No. 50	(182,090)	0	(182,090)
Item No. 51	(65,024)	0	(65,024)
	(368,374)	0	(368,374)
RPTTF Authorized	6,236,505	3,952,750	10,189,255
Administrative RPTTF Authorized	75,000	75,000	150,000
ROPS 18-19 prior period adjustment (PPA)	(402,059)	0	(402,059)
Total RPTTF Approved for Distribution	\$ 5,909,446	\$ 4,027,750	\$ 9,937,196