



Transmitted via e-mail

April 13, 2021

Onyx Jones, Chief Financial Officer
Culver City
9770 Culver Boulevard
Culver City, CA 90232

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Culver City 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 February 3, 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. 21 – Westfield OPA in the total outstanding amount of \$900,000 is overstated. The Agency should update the outstanding loan balance to reflect amounts the Agency previously received to make loan repayments as approved on the ROPS. Per the repayment schedule, \$661,785 is due on December 1, 2021; however, the Agency is requesting \$628,076 and confirmed this is the final payment. With the Agency's concurrence, Finance has reduced the outstanding loan balance on the Agency's ROPS Detail Form by \$271,924 (\$900,000 - \$628,076). Therefore, \$628,076 from Redevelopment Property Tax Trust Fund (RPTTF) funding is approved.
- The claimed administrative costs exceed the allowance by \$19,350. The Agency's administrative costs totaled \$650,000, consisting of \$438,174 payable from Administrative RPTTF and \$211,826 from Other Funds. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$630,650 for fiscal year 2021-22. Although \$650,000 is claimed for ACA, only \$630,650 is available pursuant to the cap. Therefore, as noted in the table below, \$19,350 in excess ACA is not allowed.

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2020-21	\$ 21,671,665
Less distributed Administrative RPTTF	(650,000)
RPTTF distributed for 2020-21 after adjustments	\$21,021,665
ACA Cap for 2021-22 per HSC section 34171 (b)	\$630,650
Total ACA requested for 2021-22	\$650,000
ACA in Excess of the Cap	(\$19,350)

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 CAC's review of the prior period adjustment form submitted by the Agency resulted in no prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$20,264,574, 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 item, 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 Nicole Prisakar, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Mary Noller, Finance Manager, Culver City
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 5,996,000	\$ 13,849,750	\$ 19,845,750
Administrative RPTTF Requested	113,174	325,000	438,174
Total RPTTF Requested	6,109,174	14,174,750	20,283,924
RPTTF Authorized	5,996,000	13,849,750	19,845,750
Administrative RPTTF Requested	113,174	325,000	438,174
Excess Administrative Costs	0	(19,350)	(19,350)
Administrative RPTTF Authorized	113,174	305,650	418,824
Total RPTTF Approved for Distribution	\$ 6,109,174	\$ 14,155,400	\$ 20,264,574