



Transmitted via e-mail

April 13, 2021

George Harris, Finance Director  
City of Lancaster  
44933 Fern Avenue  
Lancaster, CA 93534

### **2021-22 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Lancaster 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 8, 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. 302 – Property Maintenance Costs on land held by the Community Redevelopment Property Tax Fund (CRPTF) in the total requested amount of \$30,000 is not allowed. The Agency provided accounting records showing CRPTF land held for resale. However, without delineating the types of services and costs with the associated properties, the documentation is insufficient to support the reasonableness of the requested amount. Additionally, the CRPTF properties listed included properties that were approved to be transferred to the City of Lancaster (City) upon Finance's approval of the Long-Range Property Management Plan dated February 21, 2014. Therefore, properties to be transferred to the City are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding. As such, the requested amount of \$30,000 is not allowed from RPTTF funding. To the extent the Agency can provide suitable documentation, such as the executed contract or vendor invoices, to support the requested amount for properties held for sale, the item may be considered on a future ROPS.
- Item No. 334 – 2016 A-1 and A-2 Tax Allocation Refunding Bonds (Non-Housing) debt service. The Agency requested \$4,636,167 from RPTTF in error. According to the debt service schedule provided by the Agency, the amount requested for the ROPS 21-22 period should be \$4,636,197. Therefore, to accurately reflect the correct debt service payment, Finance made an adjustment in the amount of \$30 to increase the total requested amount of \$4,636,167 to \$4,636,197.

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 \$18,745,346, 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/](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.

George Harris  
April 13, 2021  
Page 3

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 Thong Thao, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Michael Allen, Manager - Finance, City of Lancaster  
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

<b>Approved RPTTF Distribution July 2021 through June 2022</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 13,413,967	\$ 5,209,440	\$ 18,623,407
Administrative RPTTF Requested	202,092	202,092	404,184
<b>Total RPTTF Requested</b>	<b>13,616,059</b>	<b>5,411,532</b>	<b>19,027,591</b>
<b>RPTTF Requested</b>	<b>13,413,967</b>	<b>5,209,440</b>	<b>18,623,407</b>
<u>Adjustment(s)</u>			
Item No. 302	(30,000)	0	(30,000)
Item No. 334	30	0	30
	(29,970)	0	(29,970)
<b>RPTTF Authorized</b>	<b>13,383,997</b>	<b>5,209,440</b>	<b>18,593,437</b>
<b>Administrative RPTTF Authorized</b>	<b>202,092</b>	<b>202,092</b>	<b>404,184</b>
ROPS 18-19 prior period adjustment (PPA)	(252,275)	0	(252,275)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 13,333,814</b>	<b>\$ 5,411,532</b>	<b>\$ 18,745,346</b>