

- Item No. 19 – ROPS 20-21 Correction in the total outstanding balance of \$54,569 is not allowed. It is our understanding, on the July 1, 2020 through June 30, 2021 ROPS (ROPS 20-21), the Agency applied the unspent RPTTF funds of \$54,569 as Reserve Balances to partially fund obligations. In addition, CAC reduced the ROPS 20-21 RPTTF distribution by the same amount as PPA. As a result, the ROPS 20-21 RPTTF distribution was reduced by \$54,569 twice. The Agency claims certain obligations remain unfunded. However, at the time of our determination, no information was available regarding which specific obligations remain unpaid. Therefore, the requested \$54,569 is not eligible for RPTTF funding. To the extent the Agency can provide documentation, such as unpaid vendor invoices, the Agency may be eligible for funding on a future ROPS.
- On the ROPS 21-22 form, the Agency reported cash balances and activity for ROPS 18-19. According to our review, the Agency has approximately \$1,065,000 from Other Funds 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. This item does not require payment from property tax revenues; therefore, the following item has been reclassified:
 - Item No. 1 – 2001 Tax Allocation Refunding Bonds (Bonds) in the amount of \$3,319,100 is partially reclassified. The Agency requested \$2,969,100 from RPTTF and \$350,000 from Reserve Balances. The Agency entered into a pass-through agreement dated January 23, 2001, with the CAC for Sales Tax revenues to be pledged for the payment of principal and interest pursuant to the Indenture. The Agency will pledge annual sales tax revenues in the amount of the lesser of all sales tax revenues for the fiscal year, or \$1,065,000 for the payment of debt service on the Refunding Bonds. The sales tax pledge terminates when there is no longer outstanding debt. Finance is approving RPTTF in the amount of \$1,904,100, Reserve Balances in the amount of \$350,000, and the use of Other Funds in the amount of \$1,065,000, totaling \$3,319,100.

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 PPA will offset the ROPS 21-22 RPTTF distribution. The amount of RPTTF authorized includes the PPA resulting from the CAC's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$3,673,268, 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 Jon Sutherland, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Jim Simon, RSG (Consultant), City of Pico Rivera
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

