



November 9, 2015

Ms. Jan Mazyck, Interim Finance Director
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Ms. Mazyck:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the City of Huntington Park Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period January 1 through June 30, 2016 (ROPS 15-16B) to the California Department of Finance (Finance) on September 30, 2015. Finance has completed its review of the ROPS 15-16B.

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

- Item No. 47 – Huntington Park RDA, Tax Allocation Refunding Bonds, 1994 Series A, B, C in the amount of \$ 497,452 is partially allowed. Agency requested this amount as a shortfall for the Redevelopment Property Tax Trust Fund (RPTTF) distribution in ROPS 15-16A period. Although the total RPTTF requested is \$497,452, the Agency only had a shortfall of \$297,132 and since \$75,000 of that has been approved on Item No. 45, the excess \$222,132 (\$297,132 - \$75,000) is the remaining allowable shortfall amount. Therefore, the excess of \$275,320 is not eligible for RPTTF funding.
- Item No. 48 – Remediation costs for Southland Steel Cleanup in the amount of \$1,234,000 from Other Funds has been reclassified to RPTTF. It is our understanding, the Other Funds requested for the six-month period is a loan from the city. Finance denied OB Resolution No. 2015-04 approving a loan from the city in our determination letter dated October 30, 2015. Pursuant to HSC 34173 (h) (1) the city that authorized the creation of a redevelopment agency may loan or grant funds to a successor agency for the payment of administrative costs or enforceable obligations only to the extent that the successor agency receives insufficient distribution from the RPTTF, or other approved sources of funding are insufficient, to pay approved enforceable obligations in the recognized obligation payment schedule period. Since the Agency has not incurred a shortfall for this line item, the city loan is not allowed. However, this line item is considered an enforceable obligation; therefore the requested amount of \$1,234,000 has been reclassified from other funds to RPTTF.

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment.

Except for the item denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 15-16B. If you disagree with Finance's determination with respect to any items on your ROPS 15-16B, except for those items which are the subject of litigation disputing Finance's previous or related determinations, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance's website below:

[http://www.dof.ca.gov/redevelopment/meet and confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,380,156 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution For the period of January through June 2016	
Total RPTTF requested for non-administrative obligations	5,310,417
Total RPTTF requested for administrative obligations	125,000
Total RPTTF requested for obligations on ROPS 15-16B	\$ 5,435,417
Total RPTTF requested for non-administrative obligations	5,310,417
<u>Denied Item</u>	
Item No. 47	(275,320)
<u>Reclassified Item</u>	
Item No. 48	1,234,000
Total RPTTF authorized for non-administrative obligations	\$ 6,269,097
Total RPTTF authorized for administrative obligations	\$ 125,000
Total RPTTF authorized for obligations	\$ 6,394,097
ROPS 14-15B prior period adjustment	(13,941)
Total RPTTF approved for distribution	\$ 6,380,156

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (l) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2016. This determination only applies to items when funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied 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 statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Kylie Oltmann, Supervisor, or Zuber Tejani, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Manuel Acosta, Economic Development Manager, City of Huntington Park
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County