



May 17, 2016

Mr. Ken Duran, Assistant City Manager  
City of San Dimas  
245 East Bonita Avenue  
San Dimas, CA 91773

Dear Mr. Duran:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated March 22, 2016. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of San Dimas Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (ROPS 16-17) to Finance on January 27, 2016. Finance issued a ROPS determination letter on March 22, 2016. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on April 6, 2016.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

Item No. 20 – Property disposition cost in the amount of \$20,000. Finance continues to deny this item. Finance previously determined that the amounts requested pertains to consulting fees to prepare a Request for Qualifications to identify a potential developer/development group to develop a hotel for property located at 344 West Bonita Avenue. The property was approved for sale on the Agency's Long-Range Property Management Plan. However, while disposition costs such as marketing or retaining a real estate agent to list the property for sale are eligible for funding, the type of service requested for Item No. 20 is indicative of planning. Pursuant to HSC section 34177.3 (b), except required by an enforceable obligation, the work of winding down the redevelopment agency does not include site development, improvement, or planning. Furthermore, the contract with Kosmont and Associates, Inc. was executed by the City of San Dimas (City) and states that City is the current owner of the property. While documentation provided by the Agency indicates that this contract was considered and approved by the Agency's Oversight Board, the Oversight Board action and contract were not submitted to Finance for review pursuant to HSC section 34180 (i). For these reasons, this item is not an enforceable obligation and not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

Except for the item denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 16-17.

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Finance performs a review of the Agency's self-reported cash balances on an ongoing basis. 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 enforceable obligations, HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,945,444 as summarized in the Approved RPTTF Distribution table on page 3 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the ROPS A period, and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

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

This is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-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.

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Please direct inquiries to Evelyn Sues, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Steven Valdivia, Senior Accounting Technician, City of San Dimas  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2016 through June 2017</b>			
	<u>ROPS A Period</u>	<u>ROPS B Period</u>	<u>Total</u>
Requested RPTTF (excluding administrative obligations)	\$ 1,447,182	\$ 268,262	\$ 1,715,444
Requested Administrative RPTTF	125,000	125,000	250,000
<b>Total RPTTF requested for obligations on ROPS 16-17</b>	<b>1,572,182</b>	<b>393,262</b>	<b>\$ 1,965,444</b>
Total RPTTF Requested	1,447,182	268,262	1,715,444
<u>Denied Item</u>			
Item No. 20	(20,000)	0	(20,000)
<b>Total RPTTF authorized</b>	<b>1,427,182</b>	<b>268,262</b>	<b>\$ 1,695,444</b>
Total Administrative RPTTF authorized	125,000	125,000	\$ 250,000
<b>Total RPTTF approved for distribution</b>	<b>1,552,182</b>	<b>393,262</b>	<b>\$ 1,945,444</b>