



Transmitted via e-mail

December 30, 2020

Conal McNamara, City Manager
City of La Palma
7822 Walker Street
La Palma, CA 90623

Last and Final ROPS Determination

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of La Palma Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on September 23, 2020. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make amendments or changes to the Last and Final ROPS if the changes are agreed to in writing by the Agency. The Agency has agreed in writing to the following changes made by Finance to the Agency's Last and Final ROPS:

- Item No. 3 – 1999 Loan Agreement in the total outstanding amount of \$8,629,692 has been adjusted by \$489,926 to \$8,139,766. The Agency had originally calculated the total outstanding balance on the Last and Final ROPS by utilizing the incorrect outstanding principal amount of \$4,225,960. However, based on the Agency's financial records, the total outstanding balance is \$4,029,014. Therefore, after recalculating interest on the corrected total outstanding loan principal, and with the Agency's concurrence, Finance adjusted the requested Redevelopment Property Tax Trust Fund (RPTTF) funding from \$8,629,692 to \$8,139,766.
- Total claimed administrative costs in the amount of \$125,000 has been adjusted by \$5,000 to \$120,000. Based on our review, the Agency's Last and Final ROPS contains funding requests for administrative costs through the ROPS 33-34 period. With the adjustment to Item No. 3, all obligations will be satisfied by the end of ROPS 32-33 and administrative costs shall no longer be necessary.

Therefore, Finance adjusted the administrative cost allowance for the entire Last and Final ROPS period to \$120,000. The adjustment was made in the form of a reduction of \$5,000 to the ROPS 33-34 period.

Finance is approving the Agency's Last and Final ROPS with the above amendments and changes. These changes are reflected in the approved Last and Final ROPS.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$9,078,109, as summarized in the Approved RPTTF Distribution table (See Attachment).

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/Programs/Redevelopment/ROPS/>

This is Finance's determination related to the enforceable obligations reported on the Last and Final ROPS. HSC section 34191.6 (c) (2) allows agencies to submit no more than two requests to amend the approved Last and Final ROPS.

ROPS distributions will occur twice annually, one distribution for the July 1 through December 31 (ROPS A period), and one distribution for the January 1 through June 30 (ROPS B period). The Agency will receive RPTTF distributions up to the maximum approved amount on the Last and Final ROPS.

The Agency shall not expend more than the amount approved for each enforceable obligation listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted to the County Auditor-Controller (CAC) pursuant to HSC section 34191.6 (c) (3). Pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed, the Agency is required to dispose all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

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 Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

HSC section 34187 (b) defines the process of final dissolution of the Agency. When all enforceable obligations have been retired or paid off, all real property has been disposed, and all outstanding litigation has been resolved, the Agency shall, within 30 days of meeting these conditions, submit to the Oversight Board (OB) a request to formally dissolve. The OB shall approve the request within 30 days and submit the request for Finance's review.

Pursuant to HSC section 34191.6 (c), Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period; therefore, if an agency receives a Last and Final ROPS approval after this cutoff date, the most recent annual ROPS 20-21 approval would remain effective through June 30, 2021.

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Please direct inquiries to Todd Vermillion, Supervisor, or Daisy Rose, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Michael Matsumoto, Financial Consultant, City of La Palma
Wendy Tsui, Administrative Manager I, Property Tax Unit, Orange County

Attachment

Approved Last and Final ROPS RPTTF Distributions							
	A Periods			B Periods			
ROPS Period	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	Annual Total
Total requested	9,448,035	65,000	9,513,035	0	60,000	60,000	\$ 9,573,035
Total adjustments	(489,926)	(5,000)	(494,926)	0	0	0	(494,926)
Totals	8,958,109	60,000	9,018,109	0	60,000	60,000	9,078,109
Total RPTTF approved for distribution							
ROPS 21-22	264,660	5,000	269,660	0	5,000	5,000	274,660
ROPS 22-23	747,177	5,000	752,177	0	5,000	5,000	757,177
ROPS 23-24	555,597	5,000	560,597	0	5,000	5,000	565,597
ROPS 24-25	703,614	5,000	708,614	0	5,000	5,000	713,614
ROPS 25-26	684,538	5,000	689,538	0	5,000	5,000	694,538
ROPS 26-27	741,686	5,000	746,686	0	5,000	5,000	751,686
ROPS 27-28	760,418	5,000	765,418	0	5,000	5,000	770,418
ROPS 28-29	812,652	5,000	817,652	0	5,000	5,000	822,652
ROPS 29-30	851,398	5,000	856,398	0	5,000	5,000	861,398
ROPS 30-31	900,356	5,000	905,356	0	5,000	5,000	910,356
ROPS 31-32	947,897	5,000	952,897	0	5,000	5,000	957,897
ROPS 32-33	988,116	5,000	993,116	0	5,000	5,000	998,116
ROPS 33-34	0	0	0	0	0	0	0
Total	8,958,109	60,000	9,018,109	0	60,000	60,000	\$ 9,078,109