



Transmitted via e-mail

April 11, 2025

Lauren Yonai, Associate  
City of Bell  
2616 East 3rd Street  
Los Angeles, CA 90033

### **2025-26 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Bell Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2025 through June 30, 2026 (ROPS 25-26) to the California Department of Finance (Finance) on January 29, 2025. Finance has completed its review of the ROPS 25-26.

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

- Item No. 1 – 2003 Tax Allocation Refunding Bonds are partially adjusted. The Agency requested \$791,670 from the Redevelopment Property Tax Trust Fund (RPTTF) in error. According to the debt service schedule provided by the Agency, the amount requested for the the July 1, 2025 through December 31, 2025 period (ROPS A period) and the January 1, 2026 through June 30, 2026 period (ROPS B period) should be \$1,016,281 and \$0, respectively. Therefore, to accurately reflect the correct debt service payment, Finance made adjustments to increase the requested amounts by \$621,011 for the ROPS A period and decrease by \$396,400 for the ROPS B period, increasing the total requested amount of \$791,670 by a net increase of \$224,611 to \$1,016,281.
- Item No. 14 – Property Management Plan and Disposition costs are partially allowed. The Agency has requested \$220,000; however, based on the documentation provided, only \$45,000 is related to wind-down activities. Pursuant to HSC section 34177.3 (b), unless required by an existing enforceable obligation, wind-down activities do not include planning, design, redesign, site remediation, site development or improvement, and other similar work. Therefore, of the requested \$220,000, only \$45,000 is allowed, and \$175,000 (\$220,000 - \$45,000) is not allowed. To the extent the Agency can provide additional supporting documentation to show these costs are eligible pursuant to HSC section 34177.3 (b), this item may be eligible for RPTTF on a subsequent ROPS.

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

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, 2022 through June 30, 2023 (ROPS 22-23) period. The ROPS 22-23 prior period adjustment (PPA) will offset the ROPS 25-26 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 \$1,347,406, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the ROPS A period, and one distribution for the ROPS B period, based on Finance's approved amounts. Since this determination is for the entire ROPS 25-26 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 approves the remaining items listed on the ROPS 25-26 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 25-26, 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 Agency must use the RAD App to complete and submit its Meet and Confer request form. 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/)

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 25-26. 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 25-26 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 25-26 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 [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

Original signed by:

Cheryl L. McCormick, CPA  
Chief, Office of State Audits and Evaluations

cc: Rickey Manbahal, Finance Director, City of Bell  
Linda Santillano, Property Tax Apportionment Division Chief, Los Angeles County  
Cesar Hernandez, Countywide Oversight Board Representative

**Attachment**

Approved RPTTF Distribution July 2025 through June 2026			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 558,720	\$ 565,100	\$ 1,123,820
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>683,720</b>	<b>690,100</b>	<b>1,373,820</b>
<b>RPTTF Requested</b>	<b>558,720</b>	<b>565,100</b>	<b>1,123,820</b>
<u>Adjustment(s)</u>			
Item No. 1	621,011	(396,400)	224,611
Item No. 14	(87,500)	(87,500)	(175,000)
	533,511	(483,900)	49,611
<b>RPTTF Authorized</b>	<b>1,092,231</b>	<b>81,200</b>	<b>1,173,431</b>
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
ROPS 22-23 Prior Period Adjustment (PPA)	(76,025)	0	(76,025)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 1,141,206</b>	<b>\$ 206,200</b>	<b>\$ 1,347,406</b>