



Transmitted via e-mail

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2025-26 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 11, 2025. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Bell Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2025 through June 30, 2026 (ROPS 25-26) to Finance on January 29, 2025. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 24, 2025.

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. 14 – Property Management Plan and Disposition costs in the amount of \$220,000 is partially allowed. Finance continues to partially approve this item. The Agency originally requested \$220,000; however, during the Meet and Confer process, the Agency requested to decrease the original request by \$35,000 for costs related to Architectural and Engineering and a Land Use consultant. 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. Further, \$20,000 related to contingencies continues to be denied. Therefore, of the requested \$220,000, only \$45,000 is allowed from the Redevelopment Property Tax Trust Fund (RPTTF), and \$55,000 (\$35,000 + \$20,000) is not allowed. Additionally, \$120,000 related to general legal services, professional services, and real estate agents is considered a general administrative cost and will be reclassified. Therefore, a total adjustment of \$175,000 (\$55,000 + \$120,000) is made.

- The claimed administrative costs exceed the allowance by \$120,000. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$250,000 for fiscal year 2025-26. Although \$250,000 is claimed for ACA, certain costs associated with Item No. 14 are considered to be administrative costs and should be counted toward ACA. Therefore, as noted in the table below, \$120,000 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2024-25	\$1,277,033
Less distributed Administrative RPTTF	(153,846)
RPTTF distributed for 2024-25 after adjustments	1,123,187
ACA Cap for 2025-26 per HSC section 34171 (b)	250,000
Plus amount reclassified to ACA	120,000
Total ACA	370,000
ACA in Excess of the Cap	(\$120,000)

In addition, per Finance's letter dated April 11, 2025, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- Item No. 1 – 2003 Tax Allocation Refunding Bonds are partially adjusted. The Agency requested \$791,670 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.
- 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.

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.

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
Total RPTTF Requested	683,720	690,100	1,373,820
RPTTF Requested	558,720	565,100	1,123,820
<u>Adjustment(s)</u>			
Item No. 1	621,011	(396,400)	224,611
Item No. 14	(65,000)	(110,000)	(175,000)
	556,011	(506,400)	49,611
RPTTF Authorized	1,114,731	58,700	1,173,431
Administrative RPTTF Requested	125,000	125,000	250,000
<u>Adjustment(s)</u>			
Item No. 14	10,000	110,000	120,000
Adjusted Administrative RPTTF	135,000	235,000	370,000
Excess Administrative Costs	(0)	(120,000)	(120,000)
Administrative RPTTF Authorized	135,000	115,000	250,000
ROPS 22-23 Prior Period Adjustment (PPA)	(76,025)	0	(76,025)
Total RPTTF Approved for Distribution	\$ 1,173,706	\$ 173,700	\$ 1,347,406