



Transmitted via e-mail

March 14, 2025

Conrad Avila, Accountant
City of Carlsbad
1635 Faraday Ave
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2025-26 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Carlsbad 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 23, 2025.

Pursuant to HSC section 34177 (o) (1), Finance shall make its determination of the enforceable obligations and the amounts and funding source of the enforceable obligations. The Agency did not request any funding for the ROPS 25-26 period. Therefore, Finance did not perform a review of the Agency's ROPS 25-26.

We understand the Agency's enforceable obligations are paid off. HSC section 34187(b) states that when all enforceable obligations have been retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, the successor agency shall, within 30 days of meeting the aforementioned criteria, submit to the oversight board a request, with a copy of the request to the County Auditor-Controller (CAC), to formally dissolve the successor agency. The oversight board shall approve the request within 30 days, and shall submit the request to Finance. Given that the Agency has no further obligations on the ROPS, it appears the Agency is in a position to move toward final dissolution.

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 CAC's review of the prior period adjustment (PPA) form submitted by the Agency reported a ROPS 22-23 PPA of \$32,920. Because no Redevelopment Property Tax Trust Fund (RPTTF) funding is requested or authorized, the PPA cannot be applied to offset the ROPS 25-26 RPTTF distribution, resulting in an excess PPA of \$32,920. The excess PPA should be remitted to the CAC upon the Agency's dissolution.

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/>

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Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Original signed by:

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

cc: Roxanne Muhlmeister, Assistant Finance Director, City of Carlsbad
Becky Greene, Manager, Auditor-Controller, San Diego County
Charissa Japlit, Countywide Oversight Board Representative