



Transmitted via e-mail

April 4, 2025

Miranda Cole-Corona, Manager of Housing and Economic Development
City of La Habra
110 East La Habra Boulevard
La Habra, CA 90631

2025-26 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of La Habra 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 Nos. 12 and 50 – The Agency requested the use of Reserve Balances for \$333,178 for 1001 Imperial Purchase Loan repayments. The requested \$333,178 was previously approved for Redevelopment Property Tax Trust Fund (RPTTF) funding during the July 1, 2023 through June 30, 2024 (ROPS 23-24) period through Item No. 12. However, the Agency did not spend the authorized amount and created a new item, Item No. 50, to request the use of previously approved RPTTF funds as Reserve Balances. The creation of reserves is only for bond debt service payments, and a new line item should only be created for a new obligation that was not on a prior ROPS. Therefore, Finance restored Item No. 12 and approved the funding as follows:
 - Item No. 12—The requested \$333,178 has been approved in RPTTF funding to allow the Agency to make its final payment for this obligation.
 - Item No. 50 – The requested \$333,178 in Reserve Balances is not allowed. The Agency should follow the Prior Period Adjustment (PPA) process. The requested \$333,178 in Reserve Balances should be retained and reported as a ROPS 23-24 PPA on a subsequent ROPS.

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 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 \$783,659, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2025 through December 31, 2025 period (ROPS A period), and one distribution for the January 1, 2026 through June 30, 2026 period (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/

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.

Miranda Cole-Corona
April 4, 2025
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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: Jack Ponvanit, Deputy Director of Finance, City of La Habra
Samantha Nguyen, Fiscal Analyst, Property Tax Unit, Orange County
Kathy Tavoularis, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2025 through June 2026			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 208,506	\$ 154,382	\$ 362,888
Administrative RPTTF Requested	48,500	48,500	97,000
Total RPTTF Requested	257,006	202,882	459,888
RPTTF Requested	208,506	154,382	362,888
<u>Adjustment(s)</u>			
Item No. 12	333,178	0	333,178
RPTTF Authorized	541,684	154,382	696,066
Administrative RPTTF Authorized	48,500	48,500	97,000
ROPS 22-23 Prior Period Adjustment (PPA)	(9,407)	0	(9,407)
Total RPTTF Approved for Distribution	\$ 580,777	\$ 202,882	\$ 783,659