



Transmitted via e-mail

April 4, 2025

Brad McKinney, Assistant City Manager  
City of San Dimas  
245 East Bonita Avenue  
San Dimas, CA 91773

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

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of San Dimas 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 February 1, 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. 5 – Loan to CRA Walker House Fund 30 loan repayment in the amount of \$605,044 is partially allowed. HSC section 34191.4 (b) (3) (A) allows repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in the preceding fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year. According to the Los Angeles County Auditor-Controller's report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal years 2012-13 and 2024-25 are \$2,525,595 and \$3,603,649, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 25-26 period is \$539,027. Therefore, of the \$605,044 requested, \$66,017 (\$605,044 – \$539,027) is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding. The Agency may be eligible for additional funding on subsequent ROPS.
- The Oversight Board (OB) approved OB Resolution No. 2025-3 (Resolution), approving the outstanding city loans to be included in the ROPS 25-26. However, the Agency did not request any funding for Creative Growth and Rancho San Dimas Loans (Item Nos. 4 and 6, respectively) on the ROPS 25-26, and the OB did not make a finding that the loans were for legitimate redevelopment purposes as required under HSC section 34191.4 (b). Further, our letters dated December 30, 2016 and January 24, 2017 previously denied these loans. Therefore, these loans continued to be denied. Finance will determine if these loans are eligible for repayments when a new OB action making the required finding is submitted.

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the 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 \$1,225,233, 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 item, 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: Steven Valdivia, Accounting Supervisor, City of San Dimas  
Linda Santillano, Property Tax Apportionment Division Chief, Los Angeles County  
Martha Arana, Countywide Oversight Board Representative

**Attachment**

Approved RPTTF Distribution July 2025 through June 2026			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 737,514	\$ 418,737	\$ 1,156,251
Administrative RPTTF Requested	67,500	67,500	135,000
<b>Total RPTTF Requested</b>	<b>805,014</b>	<b>486,237</b>	<b>1,291,251</b>
<b>RPTTF Requested</b>	<b>737,514</b>	<b>418,737</b>	<b>1,156,251</b>
<u>Adjustment(s)</u>			
Item No. 5	(66,017)	0	(66,017)
<b>RPTTF Authorized</b>	<b>671,497</b>	<b>418,737</b>	<b>1,090,234</b>
<b>Administrative RPTTF Authorized</b>	<b>67,500</b>	<b>67,500</b>	<b>135,000</b>
ROPS 22-23 Prior Period Adjustment (PPA)	(1)	0	(1)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 738,996</b>	<b>\$ 486,237</b>	<b>\$ 1,225,233</b>