



Transmitted via e-mail

May 17, 2022

Marie Ricci, Administrative Services Director/City Treasurer
City of Glendora
116 East Foothill Blvd
Glendora, CA 91741

2022-23 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 13, 2022. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Glendale Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to Finance on January 21, 2022. 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 28, 2022.

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.

- On the ROPS 22-23 form, the Agency reported cash balances and activity for the period July 1, 2019 through June 30, 2020 (ROPS 19-20). Finance previously determined the Agency possesses \$104,357 in Other Funds that should be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF). Therefore, Finance reclassified \$104,357 in RPTTF to Other Funds for Item No. 3. During the Meet and Confer, the Agency disputed the amount of Other Funds available and provided additional information concerning the amount of available cash. According to our revised review, the Agency has approximately \$13,680 from Other Funds available to fund enforceable obligations on the ROPS 22-23. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. Therefore, with the Agency's concurrence, the funding source for the below item has been reclassified in the amount specified below:
 - Item No. 3 – 2003 Series A Bonds in the amount of \$1,545,625 is partially reclassified. Finance is approving RPTTF in the amount of \$1,531,945 and the use of Other Funds in the amount of \$13,680, totaling \$1,545,625.

In addition, per Finance's letter dated April 13, 2022, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item No. 1 – Bond Reimbursement Agreement loan repayment in the amount of \$736,854 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 (CAC) report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal year 2012-13 and 2021-22 are \$2,368,006 and \$3,740,996, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 22-23 period is \$686,495. Therefore, of the \$736,854 requested, \$50,359 (\$736,854 – \$686,495) is not eligible for RPTTF funding. The Agency may be eligible for additional funding on a subsequent ROPS.

- Item No. 14 – Administrative Costs. The Agency inadvertently requested the incorrect funding source. As a result, Finance reclassified \$200,000 from RPTTF to Administrative RPTTF.
- 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) has 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 ROPS 19-20 period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 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 \$2,921,384, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 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 22-23. 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 22-23 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 22-23 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 Zuber Tejani, Supervisor, or Michael Barr, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Brittany Aguilar, Accounting Manager, City of Glendora
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 2,749,342	\$ 239,284	\$ 2,988,626
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	2,749,342	239,284	2,988,626
RPTTF Requested	2,749,342	239,284	2,988,626
<u>Adjustment(s)</u>			
Item No. 1	(50,359)	0	(50,359)
Item No. 3	(13,680)	0	(13,680)
Item No. 14	(100,000)	(100,000)	(200,000)
	(164,039)	(100,000)	(264,039)
RPTTF Authorized	2,585,303	139,284	2,724,587
Administrative RPTTF Requested	0	0	0
<u>Adjustment(s)</u>			
Item No. 14	100,000	100,000	200,000
Administrative RPTTF Authorized	100,000	100,000	200,000
ROPS 19-20 prior period adjustment (PPA)	(3,203)	0	(3,203)
Total RPTTF Approved for Distribution	\$ 2,682,100	\$ 239,284	\$ 2,921,384