



Transmitted via e-mail

May 17, 2022

Ben Pongetti, Interim Director of Community Development  
City of Whittier  
13230 Penn Street  
Whittier, CA 90602

### **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 15, 2022. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Whittier Successor Agency (Agency) submitted an annual ROPS for the period of July 1, 2022 through June 30, 2023 (ROPS 22-23) to Finance on February 1, 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 27, 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.

- Item No. 23 - City Loan 95-96 in the total outstanding amount of \$563,989. Finance no longer denies this item. During the Meet and Confer review, the additional documentation provided by the Agency was sufficient to demonstrate a transfer of cash from the City of Whittier to the former redevelopment agency (RDA). Therefore, this loan is eligible for payment pursuant to HSC section 34191.4 (b)(2)(A) and the requested amount of \$563,986 in Redevelopment Property Tax Trust Fund (RPTTF) funding is allowed.
- Item No. 139 – Property Maintenance in the total outstanding amount of \$120,000. Finance continues to deny this item. During the Meet and Confer review, the Agency contended that demolition and removal of the burned-down building located at 12549 Washington Boulevard qualified as emergency maintenance. However, no such definition exists in the HSC. Pursuant to HSC section 34177.3 (b), the work of winding down does not include demolition, site remediation, land clearance, and other similar work. Therefore, this item is not an enforceable obligation and the request of RPTTF in the amount of \$120,000 is not allowed.

In addition, per Finance's letter dated April 15, 2022 we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- Item No. 68 – Whittwood Owner Participation Agreement in the amount of \$1,090,000 is partially allowed. The Agency provided documentation supporting a property tax increment and sales tax reimbursement estimate of \$355,000 due in November 2022 and May 2023, totaling \$710,000. Therefore, the excess \$380,000 requested is ineligible for RPTTF funding on this ROPS. The Agency may be eligible to request funding on a future ROPS.
- Item No. 129 – Unfunded Pension Liability in the total outstanding amount of \$275,475 continues to be denied. It is our understanding the agreement is between the California Public Employees' Retirement System and the City; the former RDA is not a party to the contract. Therefore, this item is not an enforceable obligation of the Agency and the total requested amount of \$275,475 in RPTTF funding is not allowed.
- Item Nos. 132 through 136 – Various Unfunded Items From Prior ROPS totaling \$19,250 is not allowed. It is our understanding these obligations have been fully funded and no additional funding is required. Finance does not retroactively approve funds that were not authorized on a previous ROPS. Therefore, the requested \$19,250 from Other Funds is not eligible for funding.

Item	Name	Funding Source	Other Funds Requested	Adjusted	Funding Approved
132	Quad DDA	Other Funds	\$2,695	(\$2,695)	\$0
133	Arbitrage Fees	Other Funds	7,000	(7,000)	0
134	Property Maintenance	Other Funds	8,176	(8,176)	0
135	Trustee Fees	Other Funds	1,000	(1,000)	0
136	Consulting Services Fees	Other Funds	379	(379)	0
		<b>Total</b>	<b>\$19,250</b>	<b>(\$19,250)</b>	<b>\$0</b>

- 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). According to our review, the Agency has approximately \$90,003 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. The item below does not require payment from property tax revenues, therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
  - Item No. 125 – Tax Allocation Refunding Bonds, Series 2015A in the amount of \$4,054,456 is partially reclassified. Finance is approving RPTTF in the amount of \$3,964,453 and the use of Other Funds in the amount of \$90,003, totaling \$4,054,456.

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 \$7,947,921, 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.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 22-23 at this time.

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.

Ben Pongetti  
May 17, 2022  
Page 4

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: Sai Kim, Principal Accountant, City of Whittier  
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

<b>Approved RPTTF Distribution July 2022 through June 2023</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 5,621,295	\$ 3,066,497	\$ 8,687,792
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>5,746,295</b>	<b>3,191,497</b>	<b>8,937,792</b>
<b>RPTTF Requested</b>	<b>5,621,295</b>	<b>3,066,497</b>	<b>8,687,792</b>
<u>Adjustment(s)</u>			
Item No. 68	0	(380,000)	(380,000)
Item No. 125	(90,003)	0	(90,003)
Item No. 129	(275,475)	0	(275,475)
Item No. 139	(120,000)	0	(120,000)
	(485,478)	(380,000)	(865,478)
<b>RPTTF Authorized</b>	<b>5,135,817</b>	<b>2,686,497</b>	<b>7,822,314</b>
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
ROPS 19-20 prior period adjustment (PPA)	(124,393)	0	(124,393)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 5,136,424</b>	<b>\$ 2,811,497</b>	<b>\$ 7,947,921</b>