



Transmitted via e-mail

April 7, 2023

Tamar Sadd, Principal Administrative Officer
City of Glendale
633 East Broadway, Suite 103
Glendale, CA 91206

2023-24 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Glendale Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 20, 2023. Finance has completed its review of the ROPS 23-24. Finance notes there was a difference between the Oversight Board (OB) approved ROPS 23-24 and the ROPS 23-24 submitted to Finance. Therefore, Finance has completed its review of the OB approved ROPS 23-24.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 18 – Grand Central Creative Campus (GC3) Owner's Participation Agreement (OPA) Reserve Fund in the total requested amount of \$1,300,000 (\$301,000 Other Funds and \$999,000 Redevelopment Property Tax Trust Fund (RPTTF)) is not allowed. This item is an annual request to use reserve funds for potential Walt Disney World Company (Disney) construction projects to be expended in the future on ROPS Item No. 17 (No funding was requested for Item No. 17.). Finance continues to deny this item. It is our understanding that Disney is currently "off pace" without any OPA projects planned or currently under construction. Therefore, there is no need for a reserve account and the requested amount of \$1,300,000 is not eligible for funding at this time.
- Item No. 73 – Project Specific Staff relating to Item No. 17 in the total requested amount of \$223,102 is not allowed. The Agency claims these project-specific staff costs are related to a project manager for Item No. 17 and are required. However, the language in the referenced OPA section is not definite and uses the words "may appoint" and "if appointed." In addition, the Agency stated there are no current or planned OPA projects, and the salary for a project manager is not an expenditure related to Item No. 17. Therefore, the requested \$223,102 is not eligible for RPTTF funding.

- Item No. 150 – 2016 Tax Allocation Refunding Bonds in the total requested amount of \$7,434,200 (\$3,467,500 Reserve Balances and \$3,966,700 RPTTF) is partially reclassified. Pursuant to HSC section 34177 (l) (1) (E), to the extent an Agency has Other Funds available; the Agency should use those funds to pay for enforceable obligations before requesting RPTTF. Because Finance denied \$301,000 in Other Funds under Item No. 18 above, those funds are now available for use. Therefore, Finance is approving \$301,000 in Other Funds, \$3,467,500 in Reserve Balances, and \$3,665,700 in RPTTF, totaling \$7,434,200.

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, 2020 through June 30, 2021 (ROPS 20-21) period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 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 \$7,211,378, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 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 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, 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/

This is our final determination regarding the obligations listed on the ROPS 23-24. 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 23-24 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 23-24 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: Bradley Calvert, Director of Community Development, City of Glendale
Linda Santillano, Property Tax Apportionment Division Chief, Los Angeles County
Cesar Hernandez, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 4,249,601	\$ 4,557,901	\$ 8,807,502
Administrative RPTTF Requested	127,589	127,590	255,179
Total RPTTF Requested	4,377,190	4,685,491	9,062,681
RPTTF Requested	4,249,601	4,557,901	8,807,502
<u>Adjustment(s)</u>			
Item No. 18	(349,000)	(650,000)	(999,000)
Item No. 73	(111,551)	(111,551)	(223,102)
Item No. 150	(301,000)	0	(301,000)
	(761,551)	(761,551)	(1,523,102)
RPTTF Authorized	3,488,050	3,796,350	7,284,400
Administrative RPTTF Authorized	127,589	127,590	255,179
ROPS 20-21 Prior Period Adjustment (PPA)	(328,201)	0	(328,201)
Total RPTTF Approved for Distribution	\$ 3,287,438	\$ 3,923,940	\$ 7,211,378