



Transmitted via e-mail

April 6, 2023

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

2023-24 Annual Recognized Obligation Payment Schedule - REVISED

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, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 26, 2023. 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. 13 – Parking Lot Lease in the amount of \$404,565 from the Redevelopment Property Tax Trust Fund (RPTTF). The Agency inadvertently requested half of the funds in the July 1, 2023 through December 31, 2023 period (ROPS A period), and the other half in the the January 1, 2024 through June 30, 2024 period (ROPS B period). However, the entire amount should have been requested in the ROPS A period. Therefore, with the Agency's concurrence, the \$202,283 requested in the ROPS B period has been moved to the ROPS A period for a total of \$404,565 being authorized in the ROPS A period and none in the ROPS B period.
- 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 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 County Auditor-Controller's review of the PPA form submitted by the Agency resulted in no PPA.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,710,796, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the ROPS A period, and one distribution for 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 item, 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/

Absent a 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.

Brad McKinney
April 6, 2023
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Please direct inquiries to Zuber Tejani, Supervisor, or Austin Lange, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Steven Valdivia, Accounting Supervisor, City of San Dimas
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	\$ 1,369,513	\$ 202,283	\$ 1,571,796
Administrative RPTTF Requested	69,500	69,500	139,000
Total RPTTF Requested	1,439,013	271,783	1,710,796
RPTTF Requested	1,369,513	202,283	1,571,796
<u>Adjustment(s)</u>			
Item No. 13	202,283	(202,283)	0
RPTTF Authorized	1,571,796	0	1,571,796
Administrative RPTTF Authorized	69,500	69,500	139,000
Total RPTTF Approved for Distribution	\$ 1,641,296	\$ 69,500	\$ 1,710,796