



Transmitted via e-mail

March 15, 2024

Conrad Avila, Accountant
City of Carlsbad
1635 Faraday Avenue
Carlsbad, CA 92008

2024-25 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Carlsbad Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025 (ROPS 24-25) to the California Department of Finance (Finance) on January 23, 2024. Finance has completed its review of the ROPS 24-25.

Based on a sample of line items reviewed and application of the law, Finance approves all the items listed on the ROPS 24-25 at this time.

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, 2021 through June 30, 2022 (ROPS 21-22) period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 Redevelopment Property Tax Trust Fund (RPTTF) distribution. The total authorized RPTTF is insufficient to allow the PPA to be applied this ROPS period, resulting in an excess PPA. The excess PPA should be applied prior to requesting RPTTF on a future ROPS, or to the extent the Agency is dissolving, the excess PPA should be remitted to the County Auditor-Controller (CAC) pursuant to HSC section 34187 (e).

The Agency's maximum approved RPTTF distribution for the reporting period is \$0, as summarized in the Approved RPTTF Distribution table (see Attachment).

It is our understanding all the Agency's enforceable obligations will be paid off after this ROPS period. HSC section 34187 (b) states that when all enforceable obligations have been retired or paid off, all real property has been disposed, and all outstanding litigation has been resolved, the successor agency shall, within 30 days of meeting the aforementioned criteria, submit to the Oversight Board a request, with a copy of the request to the CAC, to formally dissolve the successor agency. The Oversight Board shall approve the request within 30 days, and shall submit the request to Finance.

RPTTF distributions occur biannually, one distribution for the July 1, 2024 through December 31, 2024 period (ROPS A period), and one distribution for the January 1, 2025 through June 30, 2025 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 24-25 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 24-25. 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 24-25 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 24-25 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.

Sincerely,

Original signed by:

Cheryl L. McCormick, CPA
Chief, Office of State Audits and Evaluations

cc: Roxanne Muhlmeister, Assistant Finance Director, City of Carlsbad
Becky Greene, Acting Manager, San Diego County
Ardee Apostol, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2024 through June 2025			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 0	\$ 0	\$ 0
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	0	0	0
RPTTF Authorized	0	0	0
Administrative RPTTF Requested	0	0	0
Administrative RPTTF Authorized	0	0	0
ROPS 21-22 prior period adjustment (PPA)	0	(136,346)	(136,346)
Excess PPA	0	136,346	136,346
Total RPTTF Approved for Distribution	\$ 0	\$ 0	\$ 0