



Transmitted via e-mail

March 15, 2024

Janice Reyes, Manager of Finance
City of Irvine
1 Civic Center Plaza
Irvine, CA 92623

2024-25 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Irvine 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 29, 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 made the following determinations:

- Item No. 12 – Cooperation Agreement in the amount of \$80,000. The Agency inadvertently requested administrative expenses from the Redevelopment Property Tax Trust Fund (RPTTF) instead of Administrative RPTTF. Therefore, the requested amount has been reclassified to the Administrative RPTTF.
- Item No. 18 – Stipulated Judgment in the total outstanding amount of \$35,481,253 is no longer outstanding. The Agency clarified that the outstanding amount of \$35,481,253 was paid off in the January 1, 2023 through June 30, 2024 period. Therefore, no further payments are necessary, and the requested amount of \$35,481,253 is not needed; the item has been retired.
- On the ROPS 24-25 form, the Agency reported cash balances and activity for the July 1, 2021 through June 30, 2022 (ROPS 21-22) period. According to our review, the Agency has approximately \$112,586 from Other Funds available to fund enforceable obligations on the ROPS 24-25. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. 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 amounts specified below:
 - Item No. 4 – Implementation Agreement No. 1 in the amount of \$6,500,000 is partially reclassified. Finance approves RPTTF in the amount of \$6,387,414 and the use of Other Funds in the amount of \$112,586, totaling \$6,500,000.

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 21-22 period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 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 \$6,195,069, as summarized in the Approved RPTTF Distribution table (see Attachment).

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.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 24-25 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 24-25, 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 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.

Janice Reyes
March 15, 2024
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Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Original signed by:

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

cc: Angie Burgh, Senior Management Analyst, City of Irvine
Christopher Ranftl, Administrative Manager I, Property Tax Unit, Orange County
Kathy Tavoularis, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2024 through June 2025			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 24,280,627	\$ 17,780,626	\$ 42,061,253
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	24,280,627	17,780,626	42,061,253
RPTTF Requested	24,280,627	17,780,626	42,061,253
<u>Adjustment(s)</u>			
Item No. 4	(112,586)	0	(112,586)
Item No. 12	(40,000)	(40,000)	(80,000)
Item No. 18	(17,740,627)	(17,740,626)	(35,481,253)
RPTTF Authorized	6,387,414	0	6,387,414
Administrative RPTTF Requested	0	0	0
<u>Adjustment(s)</u>			
Item No. 12	40,000	40,000	80,000
Administrative RPTTF Authorized	40,000	40,000	80,000
ROPS 21-22 prior period adjustment (PPA)	(272,345)	0	(272,345)
Total RPTTF Approved for Distribution	\$ 6,155,069	\$ 40,000	\$ 6,195,069