



Transmitted via e-mail

April 12, 2024

Daniel Kahn, Chief Executive Officer and Chief Operating Officer
City of Los Angeles Designated Local Authority
448 South Hill Street, Suite 301
Los Angeles, CA 90013

2024-25 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Los Angeles Designated Local Authority 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 10, 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 determination:

- Item No. 478 – Independent Living Center of Southern California Settlement Agreement payments in the requested amount of \$16,533,179 are partially reclassified. The Agency inadvertently requested \$5,205,590 from Reserve Balances. However, these funds are not held by the Agency; therefore, \$5,205,590 is reclassified to Redevelopment Property Tax Trust Fund (RPTTF) funding, and Finance approves the entire amount of \$16,533,179 from RPTTF.

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 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, as adjusted by Finance. Specifically, for Item No. 431 – CalPERS Unfunded Liabilities, Finance adjusts the actual Other Funds expended from \$7,874,593 to \$3,406,229 and the actual RPTTF expended from \$111,541 to \$4,739,313 based on the documentation showing the payments made to CalPERS. As a result, the total PPA of \$15,609,400 is decreased by \$4,627,772 to \$10,981,628.

The Agency's maximum approved RPTTF distribution for the reporting period is \$63,365,647, 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.

Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Original signed by:

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

cc: De Dinh, Senior Accountant, City of Los Angeles Designated Local Authority
Linda Santillano, Property Tax Apportionment Division Chief, Los Angeles County
Martha Arana, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2024 through June 2025			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 28,080,731	\$ 39,186,978	\$ 67,267,709
Administrative RPTTF Requested	1,615,202	258,774	1,873,976
Total RPTTF Requested	29,695,933	39,445,752	69,141,685
RPTTF Requested	28,080,731	39,186,978	67,267,709
<u>Adjustment(s)</u>			
Item No. 478	5,205,590	0	5,205,590
RPTTF Authorized	33,286,321	39,186,978	72,473,299
Administrative RPTTF Authorized	1,615,202	258,774	1,873,976
ROPS 21-22 prior period adjustment (PPA)	(10,981,628)	0	(10,981,628)
Total RPTTF Approved for Distribution	\$ 23,919,895	\$ 39,445,752	\$ 63,365,647