



Transmitted via e-mail

May 17, 2024

John Raymond, Assistant City Manager  
City of Carson  
701 East Carson Street  
Carson, CA 90745

### **2024-25 Annual Recognized Obligation Payment Schedule**

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 12, 2024. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Carson Successor Agency (Agency) submitted an annual ROPS for the period of July 1, 2024 through June 30, 2025 (ROPS 24-25) to Finance on February 1, 2024. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 29, 2024.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- The Agency requested an additional \$202,689 in administrative cost allowance (ACA) due to an improper reclassification from Redevelopment Property Tax Trust Fund (RPTTF) to Other Funds made in the ROPS 23-24 period, which impacted the maximum allowable ACA for the ROPS 24-25 period. However, pursuant to HSC section 34171 (b) (3), the ACA calculation is based on the distributed amount of RPTTF in the previous fiscal year and cannot be altered. Therefore, Finance denies the Agency's request to increase the ACA by \$202,689 and continues to approve \$274,766 for the Agency's ROPS 24-25 ACA. Finance notes adjustments were made to increase RPTTF during the ROPS 24-25 period to account for funds improperly reclassified during the ROPS 23-24 period, which will impact the maximum allowable ACA for the ROPS 25-26 period.
- The Agency questioned the \$483,852 prior period adjustment (PPA) assessed by the County Auditor-Controller (CAC). Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations for the July 1, 2021 through June 30, 2022 (ROPS 21-22) period. The ROPS 21-22 PPA will offset the ROPS 24-25 RPTTF distribution. After further review of the PPA, Finance increased the actuals reported by the CAC from \$1,664,375 to \$1,840,500 for Item No. 150 related to the 2014 Bonds. This adjusts the PPA by \$176,125, reducing it from \$483,852 to \$307,727.

In addition, per Finance's letter dated April 12, 2024, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- Item Nos. 1, 168, and 173 – Debt service payments for 2003B, 2015B, and 2016A Tax Allocation Bonds have been partially adjusted. With the Agency's concurrence, Finance reclassified \$6,756,288 in RPTTF to Other Funds during the July 1, 2023 through June 30, 2024 period. However, the Agency subsequently determined those funds to be restricted and were to be used for a bond refund. In order to provide the Agency with sufficient RPTTF for the bond payments, Finance makes the following adjustments:

Item No.	Item Name	Requested	Adjusted	Authorized
1	Tax Allocation Bonds 2003B	\$2,210,000	\$2,210,000	\$4,420,000
168	Tax Allocation Bonds 2015 Series B	4,197,084	4,171,393	8,368,477
173	Tax Allocation Bonds 2016A	3,242,342	374,895	3,617,237
	<b>Total</b>	<b>\$9,649,426</b>	<b>\$6,756,288</b>	<b>\$16,405,714</b>

- Item No. 72 – Avalon Disposition and Development Agreement in the total outstanding amount of \$160,524 is not allowed. The Agreement and the subsequent Agreement amendments provided were valid for a 30-year period from the date the Certificate of Occupancy was issued and do not indicate a continuation past that period. Because the Certificate of Occupancy was issued on February 23, 1994 and the requirement for the subsidy has elapsed as of February 23, 2024, this item is no longer enforceable, and the requested amount of \$160,524 from RPTTF is not allowed.
- Item No. 137 – Contract for Services in the amount of \$33,225 is partially allowed. The Agency provided a contract for continuing disclosure services that supported the annual amount of \$28,375. Therefore, those amounts have been allowed and the excess \$4,850 is not eligible for RPTTF funding.
- Item No. 150 – 2014 Tax Allocation Refunding Bonds debt service is adjusted. The Agency requested the wrong amount from RPTTF in error. According to the debt service schedule provided by the Agency, the amount requested for the July 1, 2024 through December 31, 2024 period (ROPS A period) should be \$48,125. Therefore, to accurately reflect the correct debt service payment, Finance adjusts the amount by \$48,125 from \$0 to \$48,125.
- Item Nos. 167, 172, 174, and 181 – Debt service payments for 2015B, 2016A, 2017A Tax Allocation Bonds, and 2020A Tax Allocation Housing Refunding Bonds are partially adjusted. The Agency requests RPTTF in the ROPS A period for use in the January 1, 2025 through June 30, 2025 period (ROPS B period), but did not reflect the use of these funds as Reserve Balances. Therefore, to accurately reflect the correct debt service payment, Finance makes the following adjustments for the use of Reserve Balances in the ROPS B period:

Item No.	Item Name	Requested Reserve Balances	Adjustment to Reserve Balances	Authorized Reserve Balances
167	Tax Allocation Bonds 2015 Series B	\$ 0	\$ 4,197,084	\$ 4,197,084
172	Tax Allocation Bonds 2016A	0	3,242,342	3,242,342
174	Tax Allocation Bonds 2017A	0	748,153	748,153
181	Subordinate Tax Allocation Refunding Bonds, 2020 Series B	0	409,100	409,100
	<b>Total</b>	<b>\$ 0</b>	<b>\$ 8,596,679</b>	<b>\$ 8,596,679</b>

The Agency's maximum approved RPTTF distribution for the reporting period is \$22,747,615, 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 the 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.

John Raymond  
May 17, 2024  
Page 4

Please direct inquiries to [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

Original signed by:

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

cc: James Nguyen, Project Manager, City of Carson  
Linda Santillano, Property Tax Apportionment Division Chief, Los Angeles County  
Cesar Hernandez, Countywide Oversight Board Representative

<b>Approved RPTTF Distribution July 2024 through June 2025</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 12,350,363	\$ 3,791,174	\$ 16,141,537
Administrative RPTTF Requested	287,727	287,728	575,455
<b>Total RPTTF Requested</b>	<b>12,638,090</b>	<b>4,078,902</b>	<b>16,716,992</b>
<b>RPTTF Requested</b>	<b>12,350,363</b>	<b>3,791,174</b>	<b>16,141,537</b>
<u>Adjustment(s)</u>			
Item No. 1	2,210,000	0	2,210,000
Item No. 72	(80,262)	(80,262)	(160,524)
Item No. 137	(4,850)	0	(4,850)
Item No. 150	48,125	0	48,125
Item No. 168	4,171,393	0	4,171,393
Item No. 173	374,895	0	374,895
	6,719,301	(80,262)	6,639,039
<b>RPTTF Authorized</b>	<b>19,069,664</b>	<b>3,710,912</b>	<b>22,780,576</b>
<b>Administrative RPTTF Requested</b>	<b>287,727</b>	<b>287,728</b>	<b>575,455</b>
Excess Administrative Costs	(12,961)	(287,728)	(300,689)
<b>Administrative RPTTF Authorized</b>	<b>274,766</b>	<b>0</b>	<b>274,766</b>
ROPS 21-22 prior period adjustment (PPA)	(307,727)	0	(307,727)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 19,036,703</b>	<b>\$ 3,710,912</b>	<b>\$ 22,747,615</b>