



November 13, 2019

Mr. Jose Gomez, Director of Administrative Services Department
City of Lakewood
5050 Clark Avenue
Lakewood, CA 90712

Dear Mr. Gomez:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Lakewood Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2020 through June 30, 2020 (Amended ROPS 19-20B) to the California Department of Finance (Finance) on September 23, 2019. Finance has completed its review of the Amended ROPS 19-20B.

Based on a sample of line items reviewed and application of the law, Finance has made the following determination:

Item No. 18 – Low and Moderate Income Housing Fund Loan (Supplemental Educational Revenue Augmentation Fund) in the requested adjustment of \$1,607,976 in Redevelopment Property Tax Trust Fund (RPTTF) funding is partially allowed. Finance initially denied the funding requested for this item during the ROPS 19-20 review process because the funding formula that determines the maximum payment amount, outlined in HSC section 34191.4 (b) (3) (A), equaled zero.

Finance subsequently denied the Agency's request during the ROPS 19-20 Meet and Confer process because the Agency did not provide any additional information. However, the Agency indicated during the Meet and Confer that the Los Angeles County Auditor-Controller (CAC) may have erred in the calculation of the 2012-13 base year and the 2018-19 comparison year residuals. It was our understanding the Agency and the CAC would reconcile the calculations.

During our review of the Amended ROPS 19-20B, the CAC provided an updated calculation of the 2012-13 base year residuals. According to the updated calculation of the 2012-13 base year residual, the amount distributed to the taxing entities was \$2,380,954 instead of the previously listed amount of \$4,699,068. The calculation of the 2018-19 comparison year residual, \$3,381,602, remains unchanged.

Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 19-20 period is \$500,324. Therefore, of the \$1,607,976 requested, Finance approves \$500,324 and denies \$1,107,652. The Agency may be eligible for additional funding on a subsequent ROPS.

Except for the adjustments in part, Finance is not objecting to the remaining adjustments listed on your Amended ROPS 19-20B.

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The Agency's amended maximum approved RPTTF distribution for the ROPS 19-20B period is \$538,524 as summarized in the Approved RPTTF Distribution table (See Attachment).

Please refer to the ROPS 19-20B schedule used to calculate the total RPTTF approved for distribution:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 19-20B. Please note there is not a Meet and Confer option for the Amended ROPS process, so Finance's determination is final. This determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this Amended 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 statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Joshua Mortimer, Supervisor, or Stephen Franz, Lead Analyst, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Edianne Rodriguez, Finance Manager, City of Lakewood
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution January 2020 through June 2020	
Authorized RPTTF on ROPS 19-20B	\$ 38,200
Authorized Administrative RPTTF on ROPS 19-20B	0
Total Authorized RPTTF on ROPS 19-20B	38,200
Total Requested 19-20B RPTTF Adjustments	1,607,976
Finance RPTTF Adjustments	
Item No. 18	(1,107,652)
Total Finance Authorized 19-20B RPTTF Adjustments	500,324
Total Amended ROPS 19-20B RPTTF approved for distribution	538,524