



May 17, 2019

Ms. Tamar Sadd, Senior Administrative Officer
City of Glendale
633 East Broadway, Suite 201
Glendale, CA 91206

Dear Ms. Sadd:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 10, 2019. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Glendale Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule ROPS for the period July 1, 2019 through June 30, 2020 (ROPS 19-20) to Finance on January 25, 2019. 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, 2019.

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:

- Item Nos. 4 and 147 – 2011 Non-Housing Tax Allocation Bonds (TAB) in the amount of \$5,145,628. Finance no longer reclassifies the excess proceeds for use on debt service. In lieu of using excess proceeds for debt service, the Agency is directed to use the excess proceeds to defease or purchase the bonds as set forth in HSC section 34191.4 (c) (2) (C).

Finance makes the following determinations to address the May 9, 2019 court order regarding *the City of Glendale, the Agency, and the Glendale Housing Authority v. Finance, Case No. 34-2018-80002919*:

- Item No. 153 – Transfer of excess 2011 Non-Housing TAB proceeds to the City of Glendale (City) in the amount of \$2,049,621. Finance issued a revised determination letter for the July 1, 2018 through June 30, 2019 ROPS (ROPS 18-19) on May 17, 2019 which approved the requested funding in the amount of \$1,975,702. Since this amount has been approved on ROPS 18-19 and is inclusive of the ROPS 19-20 request, no additional funding is allowed at this time. To the extent the Agency can demonstrate the amount of interest earned on the amount not previously approved for transfer, the Agency may list such amount on a subsequent ROPS for Finance's review.
- Item No. 154 – Transfer of excess 2011 Housing TAB proceeds to the City in the amount of \$1,100,052. Finance issued a revised determination letter for ROPS 18-19 on May 17, 2019, which approved the requested funding in the amount of \$8,555,709. Since this amount has been approved on ROPS 18-19 and is inclusive of the ROPS 19-20 request, additional funding is not allowed at this time. To the extent the Agency can demonstrate the amount of interest earned on the amount not previously approved for transfer, the Agency may list such amount on a subsequent ROPS for Finance's review.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 4 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$19,204,906 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 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 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 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 19-20 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 not denied 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 RPTTF is the same as the amount of property tax increment available prior to the enactment of 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 RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Todd Vermillion, Lead Analyst, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Philip Lanzafame, Director of Community Development, City of Glendale
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution			
For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 8,324,182	\$ 11,253,723	\$ 19,577,905
Administrative RPTTF Requested	242,253	242,253	484,506
Total RPTTF Requested	8,566,435	11,495,976	20,062,411
RPTTF Authorized	8,324,182	11,253,723	19,577,905
Administrative RPTTF Authorized	242,253	242,253	484,506
Total RPTTF Authorized for Obligations	8,566,435	11,495,976	20,062,411
Prior Period Adjustment	(857,505)	0	(857,505)
Total RPTTF Approved for Distribution	\$ 7,708,930	\$ 11,495,976	\$ 19,204,906