



May 17, 2019

Ms. Margarita Cruz, Successor Agency Manager  
City of Inglewood  
One Manchester Boulevard  
Inglewood, CA 90301

Dear Ms. Cruz:

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 March 25, 2019. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Inglewood Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2019 through June 30, 2020 (ROPS 19-20) to Finance on January 24, 2019. Subsequently, 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 9, 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 determination being disputed:

- Item No. 141 – Countywide Oversight Board legal fees in the total outstanding obligation amount of \$300,000. Finance continues to deny this item. Finance initially denied this item as Finance believes countywide oversight board legal expenses should be borne by the County Auditor-Controller (CAC) and paid from the CAC's administrative costs.

The Agency contends HSC 34179 (n) allows an oversight board to direct an agency to provide additional legal or financial advice than what was given by agency staff, and provided court documentation indicating both the Agency and the Los Angeles County Second District Oversight Board (OB) as defendants. Additionally, the Agency provided a Legal Services Agreement (Agreement) between Meyers, Nave, Riback, Silver & Wilson, and the OB in relation to the two cases. However, the Agency is not a party to the Agreement. Finance continues to assert that OB legal expenses should be borne by the CAC and paid from the CAC's administrative costs. Therefore, the requested amount of \$200,000 from Redevelopment Property Tax Trust Fund (RPTTF) is not allowed.

In addition, per Finance's letter dated March 25, 2019, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- Administrative costs claimed exceed the allowance by \$18,085. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater, not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$451,365 for the fiscal year 2019-20. Although \$469,450 is claimed for ACA, only \$451,365 is

available pursuant to the cap. Therefore, as noted in the table below, \$18,085 in excess ACA is not allowed:

<b>Administrative Cost Allowance Calculation</b>	
Actual RPTTF distributed for fiscal year 2018-19	\$ 15,648,316
Less distributed Administrative RPTTF	(602,822)
RPTTF distributed for 2018-19 after adjustments	<u>15,045,494</u>
ACA Cap for 2019-20 per HSC section 34171 (b)	451,365
ACA requested for 2019-20	469,450
<b>ACA in Excess of the Cap</b>	<b>\$ (18,085)</b>

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in 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 CAC's review of the prior period adjustment form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$15,823,289 as summarized in the Approved RPTTF Distribution table on Page 4 (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.

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Please direct inquiries to Nichelle Jackson, Supervisor, or Michael Painter, Analyst, at  
(916) 322-2985.

Sincerely,



 JENNIFER WHITAKER  
Program Budget Manager

cc: Mr. Harjinder Singh, Deputy City Manager, City of Inglewood  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 1, 2019 through June 30, 2020</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>ROPS 19-20 Total</b>
RPTTF Requested	\$ 7,786,727	\$ 7,786,727	\$ 15,573,454
Administrative RPTTF Requested	234,725	234,725	469,450
<b>Total RPTTF Requested</b>	<b>8,021,452</b>	<b>8,021,452</b>	<b>16,042,904</b>
<b>RPTTF Requested</b>	<b>7,786,727</b>	<b>7,786,727</b>	<b>15,573,454</b>
<u>Adjustment</u>			
Item No. 141	(100,000)	(100,000)	(200,000)
<b>RPTTF Authorized</b>	<b>7,686,727</b>	<b>7,686,727</b>	<b>15,373,454</b>
<b>Administrative RPTTF Requested</b>	<b>234,725</b>	<b>234,725</b>	<b>469,450</b>
Excess Administrative Costs	0	(18,085)	(18,085)
<b>Administrative RPTTF Authorized</b>	<b>234,725</b>	<b>216,640</b>	<b>451,365</b>
<b>Total RPTTF Authorized for Obligations</b>	<b>7,921,452</b>	<b>7,903,367</b>	<b>15,824,819</b>
Prior Period Adjustment	(1,530)	0	(1,530)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 7,919,922</b>	<b>\$ 7,903,367</b>	<b>\$ 15,823,289</b>