



April 15, 2019

Mr. Gustavo Romo, Community Development Director  
City of Bell  
6330 Pine Avenue  
Bell, CA 90201

Dear Mr. Romo:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Bell Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 29, 2019. Finance has completed its review of the ROPS 19-20.

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

- Item No.4 – Werrlein Promissory Note in the amount of \$312,500. It is our understanding the Agency requested incorrect amounts for payments due in July 1 through December 31 period (ROPS A period) and the January 1 through June 30 period (ROPS B period). Per discussion with Agency staff and a review of documentation provided, the \$312,500 requested for the annual ROPS period should be \$306,250. As a result, the total ROPS 19-20 Redevelopment Property Tax Trust Fund (RPTTF) funding requested has been decreased by \$3,125 in both ROPS A and B periods, for a total adjustment of \$6,250.
- Item No. 8 – Supplemental Educational Revenue Augmentation Fund Loan Repayment in the amount of \$885,094 is partially allowed. HSC section 34191.4 (b) (3) (A) allows repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in the preceding fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year.

According to the Los Angeles, County Auditor-Controller's (CAC) report, the ROPS residual pass-through amount distributed to the taxing entities for fiscal year 2012-13 and 2018-19 are \$666,432 and \$1,317,293, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 19-20 period is \$325,431. Therefore of the \$885,094 requested, \$559,663 (\$885,094 - \$325,431) is not eligible for RPTTF funding. The Agency may be eligible for additional funding on subsequent ROPS.

- Item No. 23 – Contract for Legal Services (Jack's Carwash) in the total outstanding amount of \$15,000 is not allowed. To support the request, the Agency provided invoices for legal services related to this item from 2017 totaling \$1,870. However, these invoices are insufficient to support the requested amount because they show costs that are significantly less than requested. In addition, the Agency was unable to provide more recent invoices. Therefore, this item is not eligible for RPTTF. To the extent the Agency can provide documentation, such as a service contract or more recent vendor invoices, to support the requested amount, the item may be considered on a future ROPS.

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 3 includes the prior period adjustment resulting from the CAC's review of the prior period adjustment form submitted by the Agency,

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, 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 of the date of this letter. The Meet and Confer process and guidelines are available on our website:

<http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/>

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,802,303 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.

Absent a Meet and Confer, 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 Kylie Oltmann, Supervisor, or Stephen Franz, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER  
Program Budget Manager

cc: Ms. Hitta Mosesman, Consultant, City of Bell  
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	\$ 1,820,235	\$ 1,437,754	\$ 3,257,989
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>1,945,235</b>	<b>1,562,754</b>	<b>3,507,989</b>
<b>RPTTF Requested</b>	<b>1,820,235</b>	<b>1,437,754</b>	<b>3,257,989</b>
<u>Adjustments</u>			
Item No. 4	(3,125)	(3,125)	(6,250)
Item No. 8	(559,663)	0	(559,663)
Item No. 23	(7,500)	(7,500)	(15,000)
	(570,288)	(10,625)	(580,913)
<b>RPTTF Authorized</b>	<b>1,249,947</b>	<b>1,427,129</b>	<b>2,677,076</b>
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
<b>Total RPTTF Authorized for Obligations</b>	<b>1,374,947</b>	<b>1,552,129</b>	<b>2,927,076</b>
Prior Period Adjustment	(124,773)	0	(124,773)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 1,250,174</b>	<b>\$ 1,552,129</b>	<b>\$ 2,802,303</b>