April 2, 2019

Ms. Christa Elms, Finance Director
City of Blythe
235 North Broadway
Blythe, CA 92225

Dear Ms. Elms:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Blythe 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 22, 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. 55 – ROPS 18-19B period unfunded obligation of $227,103 is partially allowed. The Riverside County Auditor-Controller (CAC) reports the Agency received a Redevelopment Property Tax Trust Fund (RPTTF) distribution in ROPS 18-19B totaling $1,762,377 and Finance authorized $1,982,199 in RPTTF. As a result, the Agency had insufficient funds in the Redevelopment Obligation Retirement Fund totaling $219,822 ($1,982,199 - $1,762,377). Therefore, the requested $227,103 is reduced by $7,281 to $219,822 in RPTTF funding.

- Item No. 57 – Infrastructure Improvement Project in the outstanding amount of $637,919 is not allowed. According to the Agency, projects have not been identified for use of the requested bond proceeds. Further, based on trustee statements provided, the bond proceeds consist of balances in the Reserve Accounts of the Agency's 1996A, 1997, 2000A, 2003A, 2003B, 2006A and 2006B bond series; which are balances restricted solely for the purpose of paying debt service payments in the event of insufficient funding. Therefore, the requested $637,919 in Bond Proceeds is not allowed.

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

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 CAC's review of the prior period adjustment form submitted by the Agency resulted in no prior period adjustment.

Except for the item 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 $3,214,371 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 Cindie Lor, Supervisor, or Amy Xu, Lead Analyst, at (916) 322-2985.

Sincerely,

JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Christa Elms, Finance Director, City of Blythe
    Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside 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	$ 1,091,760	$ 1,879,892	$ 2,971,652
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	**1,216,760**	**2,004,892**	**3,221,652**
RPTTF Requested	1,091,760	1,879,892	2,971,652
Adjustment			
Item No. 55	(7,281)	0	(7,281)
RPTTF Authorized	**1,084,479**	**1,879,892**	**2,964,371**
Administrative RPTTF Authorized	**125,000**	**125,000**	**250,000**
Total RPTTF Authorized for Obligations	**1,209,479**	**2,004,892**	**3,214,371**
Prior Period Adjustment	0	0	0
Total RPTTF Approved for Distribution	$ **1,209,479**	$ **2,004,892**	$ **3,214,371**