



REVISED

April 15, 2019

Mr. Vilko Domic, Director of Finance / City Treasurer  
City of Commerce  
2535 Commerce Way  
Commerce, CA 90040

Dear Mr. Domic:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule determination letter for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) dated March 27, 2019. A revision is necessary to adjust the funding authorized for property maintenance services related to Item No. 24.

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Commerce 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 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. 24 – Agency-owned property maintenance services in the requested amount of \$55,000 in Redevelopment Property Tax Trust Fund (RPTTF) is partially approved. Finance partially approved funding related to properties approved for sale on the Long-Range Property Management Plan (LRPMP) in the amount of \$6,000. Subsequently, clarifying documentation was provided by the Agency to support estimated property maintenance costs in the amount of \$49,500. Therefore, \$49,500 from RPTTF is approved and the remaining amount, \$5,500 (\$55,000 - \$49,500) is not allowed.
- Item Nos. 80, 81, and 82 – Property maintenance and remediation, requested amounts totaling \$65,264 in Other Funds are not allowed. According to information provided by the Agency, expenditures incurred were greater than the amounts approved in the ROPS 16-17 period. However, it is our understanding the City of Commerce (City) paid the additional amounts owed.

Pursuant HSC section 34173 (h) (1), the City may loan the Agency funds to the extent the Agency did not receive its entire RPTTF distribution as approved by Finance. The Los Angeles County Auditor-Controller's (CAC) reported the Agency received an RPTTF distribution equal to the amount Finance approved. Consequently, there is no cash short fall in the Agency's Redevelopment Obligation Retirement Fund (RORF). Further, because the unfunded amounts have previously been paid, the \$65,264 in RORF shortfall requests are not enforceable obligations and are not eligible for Other Funds funding.

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/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$10,940,999 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:

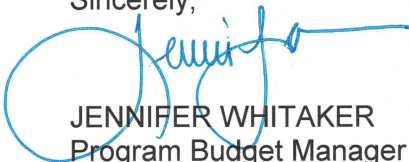
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

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 Brian Dunham, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER  
Program Budget Manager

cc: Mr. Josh Brooks, Assistant Director of Finance, City of Commerce  
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   | \$ 6,504,035         | \$ 5,778,861         | \$ 12,282,896           |
| Administrative RPTTF Requested                              | 125,000              | 125,000              | 250,000                 |
| <b>Total RPTTF Requested</b>                                | <b>6,629,035</b>     | <b>5,903,861</b>     | <b>12,532,896</b>       |
| <b>RPTTF Requested</b>                                      | <b>6,504,035</b>     | <b>5,778,861</b>     | <b>12,282,896</b>       |
| <u>Adjustment</u>   |                      |                      |                         |
| Item No. 24   | 0                    | (5,500)              | (5,500)                 |
| <b>RPTTF Authorized</b>                                     | <b>6,504,035</b>     | <b>5,773,361</b>     | <b>12,277,396</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>6,629,035</b>     | <b>5,898,361</b>     | <b>12,527,396</b>       |
| Prior Period Adjustment                                     | (1,586,397)          | 0                    | (1,586,397)             |
| <b>Total RPTTF Approved for Distribution</b>                | <b>\$ 5,042,638</b>  | <b>\$ 5,898,361</b>  | <b>\$ 10,940,999</b>    |