



March 25, 2019

Mr. Cecil Rhambo, Executive Director
City of Compton
205 South Willowbrook Avenue
Compton, CA 90220

Dear Mr. Rhambo:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Compton 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 23, 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 determination:

Item No. 26 – Agency-owned property maintenance services in the requested amount of \$150,000 in Redevelopment Property Tax Trust Fund (RPTTF) is partially approved. The funding requested relates to properties approved for sale on the Long-Range Property Management Plan (LRPMP); however, documentation provided by the Agency showed estimated property maintenance costs related to those properties totaling only \$43,300. Therefore, \$43,300 from RPTTF is approved and the remaining amount, \$106,700 (\$150,000 - \$43,300) is not allowed. To the extent the Agency can provide documentation such as additional property maintenance cost estimates or past invoices from which the estimates are based, this item may be eligible for additional RPTTF funding on a future ROPS.

Further, Finance approved the Agency's LRPMP on December 30, 2015 and contracts and agreements necessary to maintain assets prior to disposition are allowable. However, it appears the length of time the assets have been available for sale is excessive. HSC section 34177 (e) requires agencies to dispose of assets and properties expeditiously and in a manner aimed at maximizing value.

The Los Angeles County Auditor-Controller (CAC) was not able to provide its review of the differences between actual payments and past estimated obligations for the ROPS 16-17 period, as required by HSC section 34186, due to the Agency not providing requested payment documentation. Therefore a prior period adjustment cannot be applied. Finance was also not able to perform a review of the differences between actual payments and past estimated obligations due to the Agency not providing requested documentation.

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

The Agency's maximum approved RPTTF distribution for the reporting period is \$14,270,822 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. Laurence Adams, Assistant City Manager, City of Compton
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	\$ 5,629,695	\$ 8,330,172	\$ 13,959,867
Administrative RPTTF Requested	208,827	208,828	417,655
Total RPTTF Requested	5,838,522	8,539,000	14,377,522
RPTTF Requested	5,629,695	8,330,172	13,959,867
<u>Adjustment</u>			
Item No. 26	(31,700)	(75,000)	(106,700)
RPTTF Authorized	5,597,995	8,255,172	13,853,167
Administrative RPTTF Authorized	208,827	208,828	417,655
Total RPTTF Authorized for Obligations	5,806,822	8,464,000	14,270,822
Prior Period Adjustment	0	0	0
Total RPTTF Approved for Distribution	\$ 5,806,822	\$ 8,464,000	\$ 14,270,822