



April 4, 2019

Ms. Jennifer Schaefer, Finance/Community Development Block Grant Manager
City of Corona
400 South Vicentia Avenue, Suite 310
Corona, CA 92882

Dear Ms. Schaefer:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Corona 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 30, 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. 45 – Merged Project Areas Loan Agreement in the requested amount of \$2,267,331 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 Riverside 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 \$4,444,710 and \$8,977,034, respectively. Pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 19-20 period is \$2,266,162. Therefore, of the \$2,267,331 requested, \$1,169 is not eligible for Redevelopment Property Tax Trust Fund (RPTTF). The Agency may be eligible for additional funding on subsequent ROPS.

- On the ROPS 19-20 form, the Agency reported cash balances and activity for the period July 1, 2016 through June 30, 2017 (ROPS 16-17). According to our review, the Agency has approximately \$63,717 in Other Funds available to fund enforceable obligations on the ROPS 19-20. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 13 – Corona N Main Development in the amount of \$550,000 is partially reclassified. This item does not require payment from property tax revenues. Further, of the \$550,000 requested, \$75,810 was funded from Reserve Balances, which is the ROPS 16-17 prior period adjustment. As described below, the prior period adjustment is deducted

from the total ROPS 19-20 RPTTF distribution; as such, this amount may not be applied to any particular line item. Therefore, Finance has reclassified the requested amounts as noted below:

	RPTTF	Reserve Balances	Other Funds	Total
Requested	\$474,190	\$75,810	\$0	\$550,000
Reclassification	12,093*	(75,810)	63,717	0
Total authorized	\$486,283	\$0	\$63,717	\$550,000

* \$12,093 is the net difference of reclassifying \$75,810 in Reserve Balances to RPTTF and \$63,717 in RPTTF to Other funds (\$75,810 - \$63,717).

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.

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 \$11,038,400 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.

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/>

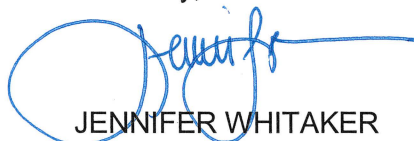
This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received 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.

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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 Satveer Ark, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Cynthia Lara, Administrative Services Manager, City of Corona
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	\$ 6,150,740	\$ 4,802,546	\$ 10,953,286
Administrative RPTTF Requested	75,000	75,000	150,000
Total RPTTF Requested	6,225,740	4,877,546	11,103,286
RPTTF Requested	6,150,740	4,802,546	10,953,286
<u>Adjustments</u>			
Item No. 13 *	12,093	0	12,093
Item No. 45	(1,169)	0	(1,169)
	10,924	0	10,924
RPTTF Authorized	6,161,664	4,802,546	10,964,210
Administrative RPTTF Authorized	75,000	75,000	150,000
Total RPTTF Authorized for Obligations	6,236,664	4,877,546	11,114,210
Prior Period Adjustment	(75,810)	0	(75,810)
Total RPTTF Approved for Distribution	\$ 6,160,854	\$ 4,877,546	\$ 11,038,400

* The \$12,093 adjustment is the net difference of reclassifying \$75,810 in Reserve Balances to RPTTF and \$63,717 in RPTTF to Other Funds (\$75,810 - \$63,717).