



April 15, 2019

Mr. Troy Helling, City Manager
City of Industry
15625 East Stafford Street
City of Industry, CA 91744

Dear Mr. Helling:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Industry 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. 269 – Property maintenance costs in the total outstanding amount of \$564,100 is not allowed. The Agency clarified this request for funding was no longer needed; therefore, the requested \$564,100 of Other Funds is not authorized.
- Item Nos. 283 through 285, 287, and 288 – 2015A Project 1, 2015A Project 2, 2015B Project 2, 2015A Project 3, and 2015B Project 3 Tax Allocation Revenue Refunding Bonds debt service payments in the amounts of \$42,765,093, \$1,030,500, \$25,541,559, \$1,043,750, and \$4,787,237, respectively, funded with Redevelopment Property Tax Trust Fund (RPTTF) have been adjusted. It is our understanding the Agency requested incorrect amounts of RPTTF for bond debt service payments for the ROPS 19-20B period. Therefore, with the Agency's concurrence, to accurately reflect the debt service payments required for the ROPS B period, the debt service requested from RPTTF has been adjusted in the amounts specified below:

Item No.	Project Name/ Debt Obligation	RPTTF Requested	Amount Adjusted	RPTTF Authorized
283	2015A Project 1 Bonds	\$42,765,093	(\$25,465)	\$42,739,628
284	2015A Project 2 Bonds	\$1,030,500	(\$3,500)	\$1,027,000
285	2015B Project 2 Bonds	\$25,541,559	\$12,090	\$25,553,649
287	2015A Project 3 Bonds	\$1,043,750	(\$4,000)	\$1,039,750
288	2015B Project 3 Bonds	\$4,787,237	\$2,250	\$4,789,487
	Total	\$75,168,139	(\$18,625)	\$75,149,514

- Item No. 302 – Road improvements in the amount of \$3,000,000 in Other Funds for the ROPS 19-20 period is not allowed. Finance determined the 2005 Lease is an enforceable obligation per our determination letter dated February 20, 2013. As part of the 2005 Lease, the former Redevelopment Agency agreed to be responsible for specific public improvements. However, a contract for the public improvements requested has not been executed and/or properly approved; therefore, this item is not eligible for Other Funds at this time. Once a contract has been executed and approved by the OB and Finance, the Agency may list it 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 County Auditor-Controller's review of the prior period adjustment form submitted by the Agency resulted in no prior period adjustment.

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 \$122,257,943 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:

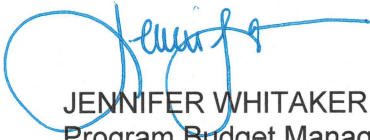
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

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: Ms. Yamini Pathak, Finance Director, City of Industry
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	\$ 47,108,429	\$ 75,168,139	\$ 122,276,568
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	47,108,429	75,168,139	122,276,568
RPTTF Requested	47,108,429	75,168,139	122,276,568
<u>Adjustments</u>			
Item No. 283	0	(25,465)	(25,465)
Item No. 284	0	(3,500)	(3,500)
Item No. 285	0	12,090	12,090
Item No. 287	0	(4,000)	(4,000)
Item No. 288	0	2,250	2,250
	0	(18,625)	(18,625)
RPTTF Authorized	47,108,429	75,149,514	122,257,943
Administrative RPTTF Authorized	0	0	0
Total RPTTF Authorized for Obligations	47,108,429	75,149,514	122,257,943
Prior Period Adjustment	0	0	0
Total RPTTF Approved for Distribution	\$ 47,108,429	\$ 75,149,514	\$ 122,257,943