



April 15, 2019

Mr. Carlos Jaramillo, Deputy Director of Community & Economic Development
City of La Habra
201 East La Habra Boulevard
La Habra, CA 90631

Dear Mr. Jaramillo:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of La Habra 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 31, 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. 22 – Consulting Community Facilities District (CFD) Preparation Fees, total requested amount of \$12,000. Subsequent to the ROPS submission, the Agency determined the amount requested is overstated. According to the Agency, only \$1,587 will be necessary to fund the obligation during the ROPS 19-20 period. Therefore, with the Agency's concurrence, Finance is approving the use of \$1,587 from Bond Proceeds and reducing the use of Other Funds, from \$11,489 to zero.
- Item No. 23 – Bond Fees for 1999 CFD Refunding in the requested amount of \$2,500. Subsequent to the ROPS submission, the Agency determined it will no longer need to fund this item for the ROPS 19-20 period. Therefore, with the Agency's concurrence, Finance is reducing the amount requested from Bond Proceeds by \$2,500 to zero.
- Item No. 30 – Continuing Disclosure Fees in the total requested amount of \$3,250. This item was originally listed as General Operations. In ROPS 19-20, the Agency changed the project name/debt obligation to Continuing Disclosure Fees. However, line items on the ROPS may either be added or retired, but the project name/debt obligation must stay the same. Although Finance is approving \$3,250 to fund continuing disclosure fees from Redevelopment Property Tax Trust Fund (RPTTF), any new obligation must be listed as a new line item in the future.

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 \$4,636 from Bond Proceeds and \$5,880 from Other Funds, totaling \$10,516, 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, the funding source for the following item has been reclassified in the amount specified below:

- Item No. 16 – Marketplace Property Tax Owner’s Participation Agreement in the total requested RPTTF amount of \$408,232 is partially reclassified. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$397,716, Bond Proceeds in the amount of \$4,636, and Other Funds in the amount of \$5,880, totaling \$408,232.

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 County Auditor-Controller’s review of the prior period adjustment form submitted by the Agency, as adjusted by Finance. The prior period adjustment is adjusted to \$3,107.

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 that 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 \$3,058,372 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/>

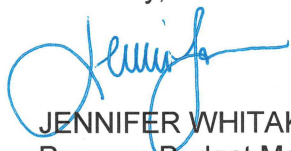
Mr. Carlos Jaramillo
April 15, 2019
Page 3

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 the 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 the RPTTF.

Please direct inquiries to Nichelle Jackson, Supervisor, or Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Jack Ponvanit, Finance Manager, City of La Habra
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange 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	\$ 1,425,477	\$ 1,396,518	\$ 2,821,995
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	1,550,477	1,521,518	3,071,995
RPTTF Requested	1,425,477	1,396,518	2,821,995
<u>Adjustments</u>			
Item No. 16	(10,516)	0	(10,516)
RPTTF Authorized	1,414,961	1,396,518	2,811,479
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Authorized for Obligations	1,539,961	1,521,518	3,061,479
Prior Period Adjustment	(3,107)	0	(3,107)
Total RPTTF Approved for Distribution	\$ 1,536,854	\$ 1,521,518	\$ 3,058,372