



Transmitted via e-mail

April 10, 2020

Michael Solorza, Director of Finance  
City of Montebello  
1600 West Beverly Boulevard  
Montebello, CA 90640

**Subject: 2020-21 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Montebello Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 28, 2020. Finance has completed its review of the ROPS 20-21.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 12 - 2002 Housing Tax Allocation Parity Bonds in the amount of \$490,000 in Reserve Balances is partially adjusted from Reserve Balances to Redevelopment Property Tax Trust Fund (RPTTF). The Agency inadvertently requested the entire amount from Reserve Balances. With the Agency's concurrence, Finance is approving \$177,654 in RPTTF, and \$312,346 in Reserve Balances, totaling \$490,000.
- Item No. 16 - Ostrom Chevrolet Note Payable in the total amount of \$827,798 is partially allowed. Pursuant to the repayment schedule only \$827,778 is due during ROPS 20-21. Therefore, of the requested \$827,798, the excess \$20 is not eligible for RPTTF funding on the current ROPS.
- Item No. 47 - Tax Allocation Refunding Bonds Series 2015 A in the amount of \$1,639,213 in Other funds and \$1,568,837 in RPTTF, for a total of \$3,208,050 is partially adjusted from Other Funds to RPTTF. It is our understanding the requested funding from Other Funds includes the Prior Period Adjustment from ROPS 17-18 in the amount of \$1,294,915, which is unavailable to fund the obligation. With the Agency's concurrence, Finance is approving \$344,298 in Other Funds and \$2,863,752 in RPTTF, totaling \$3,208,050.

- On the ROPS 20-21 form, the Agency reported cash balances and activity for the period July 1, 2017 through June 30, 2018 (ROPS 17-18). According to our review, the Agency has approximately \$275,168 from Other Funds available to fund enforceable obligations on the ROPS 20-21. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funds. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
  - Item No. 47 – Tax Allocation Refunding Bonds Series 2015 A in the amount of \$344,298 in Other Funds and \$2,863,752 in RPTTF, for a total of \$3,208,050, is partially reclassified. Finance is approving RPTTF in the amount of \$2,588,584 and the use of Other Funds in the amount of \$619,466, totaling \$3,208,050.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 17-18. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 20-21. If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, 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 must use the RAD App to complete and submit its Meet and Confer request form.

The Agency's maximum approved RPTTF distribution for the reporting period is \$5,957,525, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 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 20-21. 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 deemed denied until the matter is resolved.

The ROPS 20-21 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 20-21 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 the 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 Kylie Oltmann, Supervisor, or Nicole Prisakar, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: William Quan, Controller, City of Montebello  
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**Attachment**

<b>Approved RPTTF Distribution July 2020 through June 2021</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>ROPS 20-21 Total</b>
RPTTF Requested	\$ 2,341,629	\$ 3,463,430	\$ 5,805,059
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>2,466,629</b>	<b>3,588,430</b>	<b>6,055,059</b>
<b>RPTTF Requested</b>	<b>2,341,629</b>	<b>3,463,430</b>	<b>5,805,059</b>
<u>Adjustment(s)</u>			
Item No. 12	177,654	0	177,654
Item No. 16	(10)	(10)	(20)
Item No. 47	1,019,747	0	1,019,747
	1,197,391	(10)	1,197,381
<b>RPTTF Authorized</b>	<b>3,539,020</b>	<b>3,463,420</b>	<b>7,002,440</b>
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
ROPS 17-18 prior period adjustment (PPA)	(1,294,915)	0	(1,294,915)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 2,369,105</b>	<b>\$ 3,588,420</b>	<b>\$ 5,957,525</b>