



Transmitted via e-mail

May 15, 2020

Sherry Johnson, Finance Director  
City of Westminster  
8200 Westminster Boulevard  
Westminster, CA 92683

### **2020-21 Annual Recognized Obligation Payment Schedule**

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 13, 2020. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Westminster Successor Agency (Agency) submitted an annual ROPS for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to Finance on January 29, 2020. The Agency requested a Meet and Confer on one of the determinations made by Finance. The Meet and Confer was held on April 23, 2020.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determination being disputed:

Item No. 24 – Employment Generation Agreement in the total outstanding amount of \$85,000. Finance no longer denies this item. Finance initially denied the last payment on the Business and Job Retention Agreement (Agreement) between the former Redevelopment Agency and Best Buy Stores because the Agreement expires on June 30, 2020. However, due to a timing issue, the last payment cannot be made until July 31, 2020. Therefore, the requested amount of \$85,000 from Redevelopment Property Tax Trust Fund (RPTTF) funding is approved.

In addition, per Finance's letter dated April 13, 2020, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- 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 \$100,568 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. 3 – 2011 T/A Bonds Series A in the amount of \$1,808,319 is partially reclassified. Finance is approving RPTTF in the amount of \$1,707,751 and the use of Other Funds in the amount of \$100,568, totaling \$1,808,319.

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. 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.

The Agency's maximum approved RPTTF distribution for the reporting period is \$7,114,898, 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.

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.

Sherry Johnson  
May 15, 2020  
Page 3

Please direct inquiries to Joshua Mortimer, Supervisor, or Michael Barr, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Erin Backs, Assistant Finance Director, City of Westminster  
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange 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	\$ 1,277,597	\$ 5,876,922	\$ 7,154,519
Administrative RPTTF Requested	50,000	50,000	100,000
<b>Total RPTTF Requested</b>	<b>1,327,597</b>	<b>5,926,922</b>	<b>7,254,519</b>
<b>RPTTF Requested</b>	<b>1,277,597</b>	<b>5,876,922</b>	<b>7,154,519</b>
<u>Adjustment(s)</u>			
Item No. 3	(100,568)	0	(100,568)
<b>RPTTF Authorized</b>	<b>1,177,029</b>	<b>5,876,922</b>	<b>7,053,951</b>
<b>Administrative RPTTF Authorized</b>	<b>50,000</b>	<b>50,000</b>	<b>100,000</b>
ROPS 17-18 prior period adjustment (PPA)	(39,053)	0	(39,053)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 1,187,976</b>	<b>\$ 5,926,922</b>	<b>\$ 7,114,898</b>