



Transmitted via e-mail

April 13, 2021

John Raymond, Director of Community Development
City of Carson
701 East Carson Street
Carson, CA 90745

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Carson Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022 (ROPS 21-22) to the California Department of Finance (Finance) on February 1, 2021. Finance has completed its review of the ROPS 21-22.

- Item No. 178 – Tax Allocation Bonds 2020 totaling \$8,500,000 is not allowed. Finance continues to deny this item as noted in our letters dated April 10, 2020 and May 15, 2020. It is our understanding the Agency is requesting Redevelopment Property Tax Trust Fund (RPTTF) funding for debt service for bonds not yet issued, but for which the Agency believes it is obligated to issue. However, the Agency did not receive the Oversight Board (OB) approval as required by HSC section 34177.5 (f), and because there is no Agency obligation to fund any remediation costs or issue debt for such costs, this line item is not approved. Further, the Agency has not provided new information to support that the Agency is obligated to pay for such costs or to issue bonds beyond what the Agency has previously issued. Therefore, the requested \$8,500,000 in RPTTF funding is not allowed.
- Item 183 – 2020A Successor Agency Bond Counsel Fees totaling \$40,000 is not allowed. It is our understanding the bond counsel fees incurred is related to Item No. 178. The Agency is authorized, as provided in HSC section 34177.5 (f), to recover its costs related to the issuance of bonds when authorized to issue such bonds. However, the Agency was told on March 13, 2020, April 10, 2020, and May 15, 2020 that it had no obligation to pay for remediation costs and no authority to issue the requested bonds for such costs. Further, the OB also denied the Agency's request to issue the bonds. With no authority to issue bonds under HSC section 34177.5, the Agency has no authority to incur costs for such bonds. Further, there is no contract between the Agency and the bond counsel obligating the Agency to pay for any such services. The contracts provided in support of this item are contracts between the City of Carson and the law firm. Consequently, \$40,000 requested from RPTTF is not allowed.

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, 2018 through June 30, 2019 (ROPS 18-19) period. The ROPS 18-19 prior period adjustment (PPA) will offset the ROPS 21-22 RPTTF distribution. The amount of RPTTF authorized includes the 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 \$18,146,745, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance does not object to the remaining items listed on the ROPS 21-22. If the Agency disagrees with our determination with respect to any items on the ROPS 21-22, 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 from 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 must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 21-22. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 21-22 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 21-22 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be adjusted even if not adjusted 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 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 Thong Thao, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Diane Hadland, Consultant, City of Carson
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 8,625,811	\$ 18,558,607	\$ 27,184,418
Administrative RPTTF Requested	287,727	287,728	575,455
Total RPTTF Requested	8,913,538	18,846,335	27,759,873
RPTTF Requested	8,625,811	18,558,607	27,184,418
<u>Adjustment(s)</u>			
Item No. 178	0	(8,500,000)	(8,500,000)
Item No. 183	(20,000)	(20,000)	(40,000)
	(20,000)	(8,520,000)	(8,540,000)
RPTTF Authorized	8,605,811	10,038,607	18,644,418
Administrative RPTTF Authorized	287,727	287,728	575,455
ROPS 18-19 prior period adjustment (PPA)	(1,073,128)	0	(1,073,128)
Total RPTTF Approved for Distribution	\$ 7,820,410	\$ 10,326,335	\$ 18,146,745