



Transmitted via e-mail

April 12, 2021

Kristen Petersen, Assistant City Manager
City of Duarte
1600 Huntington Drive
Duarte, CA 91010

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Duarte 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 January 26, 2021.

The Agency did not request any funding on the ROPS 21-22. Therefore, Finance did not review the Agency's ROPS 21-22.

HSC section 34187 (b) states that when all enforceable obligations have been retired or paid off, all real property has been disposed, and all outstanding litigation has been resolved, the successor agency shall, within 30 days of meeting the aforementioned criteria, submit to the oversight board a request, with a copy of the request to the County Auditor-Controller (CAC), to formally dissolve the successor agency. The oversight board shall approve the request within 30 days, and shall submit the request to the department. Given that the Agency's final obligations were set to be fully paid no later than June 30, 2021, and given that the Agency has no further obligations on the ROPS, it appears the Agency is in a position to move toward final dissolution.

While the Agency has listed Item No. 22 – Los Angeles County Pass Through Agreements on the ROPS, such agreements are not enforceable obligations and are not subject to the ROPS process. Rather, all pass through payments are handled by the CAC pursuant to HSC section 34183 until the Agency dissolves.

All unspent Redevelopment Property Tax Trust Fund (RPTTF) funding received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed, the Agency is required to dispose all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

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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 period. The CAC's review of the prior period adjustments (PPA) form submitted by the Agency reported a PPA of \$15,780. Because no RPTTF funding is requested or authorized, the PPA cannot be applied to offset the ROPS 21-22 RPTTF distribution, resulting in an excess PPA of \$15,780. The excess PPA should be remitted to the CAC upon the Agency's dissolution.

Please direct inquiries to Kylie Oltmann, Supervisor, or Jon Sutherland, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Jeff Melching, City Attorney, City of Duarte
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County