



Transmitted via e-mail

April 14, 2021

Andrew Mowbray, Finance Director
City of Pomona
505 South Garey Avenue
Pomona, CA 91766

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Pomona 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.

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

- Item Nos. 56, 64, and 67 – Various Property Disposition costs are partially approved. The Agency provided a breakdown of disposition and maintenance costs for these obligations. However, the support included Assessor Parcel Number 8704-003-900 which was not listed in the Agency's approved Long-Range Property Management Plan dated August 16, 2016. In addition, the Agency indicates this property is being transferred to the City of Pomona (City). Therefore, the costs associated with this property are the responsibility of the City and are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding. Therefore, the following items have been adjusted as noted in the table below:

Item No.	Item Name	RPTTF Requested	RPTTF Adjusted	RPTTF Authorized
56	Property Maintenance	\$6,250	(\$2,000)	\$4,250
64	Property Disposition Cost	6,000	(2,000)	4,000
67	Property Disposition Cost	450	(150)	300
	Total	\$12,700	(\$4,150)	\$8,550

- Item Nos. 70 and 71 – County Deferral Tax Loans in the total outstanding amount of \$60,844,775 and \$2,222,564, totaling \$63,067,339, is not allowed. It is our understanding these items are for deferred County pass-through payments. Pursuant to HSC 34183 (a) (1) the County Auditor-Controller (CAC) shall make the required pass-through payments for any pass-through agreement between the former Redevelopment Agency (RDA) and a taxing entity entered into prior to January 1, 1994 that would be in force during that fiscal year, had the RDA existed at that time. These pass-through agreements between the former Pomona RDA, the City, and the County of Los Angeles were entered into on December 5, 1988 and June 25, 1991, respectively. Therefore, the CAC is responsible for determining the amounts owed and making payments under these pass-through agreements. As such, it is not necessary to place these obligations on the ROPS and the requested amounts of \$1,957,455 and \$2,222,564, totaling \$4,180,019, from RPTTF is not allowed.
- The claimed administrative costs exceed the allowance by \$60,104. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$385,230 for fiscal year 2021-22. Although \$445,334 is claimed for ACA, only \$385,230 is available pursuant to the cap. Therefore, as noted in the table below, \$60,104 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2020-21	\$13,319,474
Less distributed Administrative RPTTF	(478,470)
RPTTF distributed for 2020-21 after adjustments	\$12,841,004
ACA Cap for 2021-22 per HSC section 34171 (b)	\$385,230
ACA requested for 2021-22	445,334
ACA in Excess of the Cap	(\$60,104)

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 CAC's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$10,985,656, 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.

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.

Andrew Mowbray
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Please direct inquiries to Kylie Oltmann, Supervisor, or Michael Painter, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Raul Marquez, Principal Accountant, City of Pomona
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	\$ 10,201,426	\$ 6,957,213	\$ 17,158,639
Administrative RPTTF Requested	222,668	222,666	445,334
Total RPTTF Requested	10,424,094	7,179,879	17,603,973
RPTTF Requested	10,201,426	6,957,213	17,158,639
<u>Adjustment(s)</u>			
Item No. 56	(1,000)	(1,000)	(2,000)
Item No. 64	(1,000)	(1,000)	(2,000)
Item No. 67	(75)	(75)	(150)
Item No. 70	(978,728)	(978,727)	(1,957,455)
Item No. 71	(1,111,282)	(1,111,282)	(2,222,564)
	(2,092,085)	(2,092,084)	(4,184,169)
RPTTF Authorized	8,109,341	4,865,129	12,974,470
Administrative RPTTF Requested	222,668	222,666	445,334
Excess Administrative Costs	0	(60,104)	(60,104)
Administrative RPTTF Authorized	222,668	162,562	385,230
ROPS 18-19 prior period adjustment (PPA)	(2,374,044)	0	(2,374,044)
Total RPTTF Approved for Distribution	\$ 5,957,965	\$ 5,027,691	\$ 10,985,656