



Transmitted via e-mail

April 14, 2021

Jeff Adams, Interim Director of Community Development
City of Whittier
13230 Penn Street
Whittier, CA 90602

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Whittier 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 29, 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. 6, 16, 44, 78, 89, and 130 – Various Property Maintenance and Disposition Costs in the total amount of \$58,000 (\$5,000 + \$4,500 + \$7,500 + \$25,000 + \$3,000 + \$13,000) is not allowed. Finance approved the Agency's Long Range Property Management Plan (LRPMP) on December 17, 2015, and contracts and agreements necessary to maintain assets prior to disposition are allowable. At the time of our determination, the Agency was not able to provide a breakdown of the various costs for the remaining four properties (Property Nos. 2, 3, 8 and 11). Pursuant to the approved LRPMP, Property Nos. 8 and 11 were approved for transfer to the City of Whittier (City) and costs associated with maintaining and disposing of these assets are the responsibility of the City. Therefore, \$58,000 in Redevelopment Property Tax Trust Fund (RPTTF) is not allowed. To the extent the Agency can provide suitable documentation to support maintenance and disposition costs for properties approved on the LRPMP for sale (Property Nos. 2 and 3), these costs may be considered on a future ROPS.
- Item 68 – Whittwood Owner Participation Agreement in the amount of \$1,025,000 is partially allowed. The Agency provided documentation supporting a property tax increment and sales tax reimbursement estimate of \$335,000 due in November 2021 and May 2022, totaling \$670,000. Therefore, the excess \$355,000 requested is ineligible for RPTTF funding on this ROPS. The Agency may request funding on a future ROPS.

- Item No. 129 – Unfunded Pension Liability in the total outstanding amount of \$275,475 continues to be denied. It is our understanding the agreement is between the California Public Employees' Retirement System and the City; the former Redevelopment Agency is not a party to the contract. Therefore, this item is not an enforceable obligation of the Agency and the total outstanding amount of \$275,475 in RPTTF funding is not allowed.
- Item Nos. 132 through 136 – Various Unfunded Items From Prior ROPS totaling \$19,250 is not allowed. It is our understanding these obligations have been fully funded and no additional funding is required. Therefore, the requested \$379 from RPTTF, and \$18,871 from Other Funds, totaling \$19,250 is not eligible for funding.

Item	Name	Funding Source	Funding Requested	Adjusted	Funding Approved
132	Quad DDA	Other Funds	\$2,695	(\$2,695)	\$0
133	Arbitrage Fees	Other Funds	7,000	(7,000)	0
134	Property Maintenance	Other Funds	8,176	(8,176)	0
135	Trustee Fees	Other Funds	1,000	(1,000)	0
136	Consulting Services Fees	RPTTF	379	(379)	0
		Total	\$19,250	(\$19,250)	\$0

- On the ROPS 21-22 form, the Agency reported cash balances and activity for the period July 1, 2018 through June 30, 2019 (ROPS 18-19). According to our review, the Agency has approximately \$71,526 from Other Funds available to fund enforceable obligations on the ROPS 21-22. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. 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. 17 – City Loan No. 90-439 in the amount of \$1,920,333 is partially reclassified. Finance is approving RPTTF in the amount of \$1,848,807 and the use of Other Funds in the amount of \$71,526, totaling \$1,920,333.

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 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 \$7,968,040, 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.

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: Ben Pongetti, Development Project Manager, City of Whittier
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	\$ 5,864,751	\$ 2,708,188	\$ 8,572,939
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	5,989,751	2,833,188	8,822,939
RPTTF Requested	5,864,751	2,708,188	8,572,939
<u>Adjustment(s)</u>			
Item No. 6	(2,500)	(2,500)	(5,000)
Item No. 16	(4,500)	0	(4,500)
Item No. 17	(71,526)	0	(71,526)
Item No. 44	(7,500)	0	(7,500)
Item No. 68	(335,000)	(20,000)	(355,000)
Item No. 78	(12,500)	(12,500)	(25,000)
Item No. 89	(3,000)	0	(3,000)
Item No. 129	(275,475)	0	(275,475)
Item No. 130	(13,000)	0	(13,000)
Item No. 136	(379)	0	(379)
	(725,380)	(35,000)	(760,380)
RPTTF Authorized	5,139,371	2,673,188	7,812,559
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 18-19 prior period adjustment (PPA)	(94,519)	0	(94,519)
Total RPTTF Approved for Distribution	\$ 5,169,852	\$ 2,798,188	\$ 7,968,040