



Transmitted via e-mail

April 15, 2022

Josh Nelson, City Manager
City of Industry
15625 East Stafford Street
City of Industry, CA 91744

2022-23 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Industry Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on January 28, 2022. Finance has completed its review of the ROPS 22-23.

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

- Item No. 128 - Route 57/60 Confluence in the total outstanding amount of \$9,000,000. The Agency inadvertently requested Bond Proceeds in excess of those available to the Agency. Therefore, the requested amount for the July 1, 2022 through December 31, 2022 period (ROPS 22-23A) has been adjusted to decrease the requested Bond Proceeds by \$600,000 and increase Other Funds by the same amount.
- Item No. 303 - Industry East and Industry Business Center Traffic Mitigation Improvements in the total outstanding amount of \$2,000,000 is not allowed. The Agency did not provide documentation to support the requested amount because no agreements have been finalized at this time. Therefore, the requested amount of \$2,000,000 from Other Funds is not allowed. To the extent the Agency can provide suitable documentation, such as the executed contract, to support the requested amount, the Agency may be eligible for funding on a future ROPS.

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, 2019 through June 30, 2020 (ROPS 19-20) period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 Redevelopment Property Tax Trust Fund (RPTTF) distribution. The County Auditor-Controller's review of the PPA form submitted by the Agency resulted in no PPA.

In addition, Finance noted on the ROPS 19-20 PPA worksheet, the Agency's expenditures exceeded Finance's authorization of Other Funds totaling \$5,569,481 for Item Nos. 116, 117, 118, 122, 123, 132, 133, 221, 226, 276, 290, 294, 295, and 299. Pursuant to HSC section 34177 (a) (3), only those payments listed on a ROPS may be made by the Agency from the funds and source specified on the ROPS, up to the amount authorized by Finance. Finance reminds the Agency that funds in excess of the amounts authorized on the ROPS cannot be expended. Any excess funds must be retained and expended once the Agency receives approval for their use on future ROPS.

HSC section 34177 (a) (4) and 34173 (h) provide mechanisms when Agency payments must exceed the amounts authorized by Finance. Please ensure the proper expenditure authority is received from your Oversight Board and Finance prior to making payments on enforceable obligations.

The Agency's maximum approved RPTTF distribution for the reporting period is \$17,413,597, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 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 item, Finance approves the remaining items listed on the ROPS 22-23 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 22-23, 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 22-23. 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 22-23 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 22-23 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 Zuber Tejani, Supervisor, or Veronica Zalvidea, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Yamini Pathak, Finance Director, City of Industry
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 0	\$ 17,413,597	\$ 17,413,597
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	0	17,413,597	17,413,597
RPTTF Authorized	0	17,413,597	17,413,597
Administrative RPTTF Authorized	0	0	0
Total RPTTF Approved for Distribution	\$ 0	\$ 17,413,597	\$ 17,413,597