



Transmitted via e-mail

May 17, 2022

John Raymond, Assistant City Manager
City of Carson
701 East Carson Street
Carson, CA 90745

2022-23 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 13, 2022. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Carson Successor Agency (Agency) submitted an annual ROPS for the period of July 1, 2022 through June 30, 2023 (ROPS 22-23) to Finance on January 28, 2022. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 28, 2022.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item No. 29 – Property Disposition Costs in the total requested amount of \$15,000. Finance partially approves this item. During the Meet and Confer review, the Agency clarified that only \$7,500 was required for an appraisal on a property with a permissible use of Sale on the Agency's Long-Range Property Management Plan (LRPMP). Therefore, of the \$15,000 requested, Finance approves \$7,500 from Redevelopment Property Tax Trust Fund (RPTTF) and the remaining \$7,500 is not allowed.
- Item No. 183 – 2020A Successor Agency Bond Counsel Fees totaling \$40,000 are not allowed. Finance continues to deny this item. It is our understanding the bond counsel fees incurred are related to Item No. 178 – Tax Allocation Bonds 2020, which was previously denied as noted below. 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 has no obligation to pay for remediation costs and no authority to issue the requested bonds for such costs. Further, the Oversight Board 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.

Additionally, 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. Lastly, on September 9, 2021, the Superior Court of the State of California denied the Agency's Petition. Consequently, the \$40,000 requested from RPTTF is not allowed.

In addition, per Finance's letter dated April 13, 2022, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- On the ROPS 22-23 form, the Agency reported cash balances and activity for the period July 1, 2019 through June 30, 2020 (ROPS 19-20). According to our review, the Agency has approximately \$146,337 from Reserve Balances and \$236,145 from Other Funds, totaling \$382,482, available to fund enforceable obligations on the ROPS 22-23. 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 amounts specified below:
 - Item No. 167 – Tax Allocation Bonds 2015 Series B (Subordinate) (Payment) in the amount of \$861,791 is partially reclassified. Finance is approving RPTTF in the amount of \$479,309 and the use of Reserve Balances and Other Funds in the amounts of \$146,337 and \$236,145, respectively, totaling \$861,791.

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 19-20 period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 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 \$13,343,361, 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.

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 Michael Barr, Staff, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: James Nguyen, Project Manager, City of Carson
Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 8,596,527	\$ 6,287,797	\$ 14,884,324
Administrative RPTTF Requested	263,570	263,569	527,139
Total RPTTF Requested	8,860,097	6,551,366	15,411,463
RPTTF Requested	8,596,527	6,287,797	14,884,324
<u>Adjustment(s)</u>			
Item No. 29	(7,500)	0	(7,500)
Item No. 167	(382,482)	0	(382,482)
Item No. 183	(20,000)	(20,000)	(40,000)
	(409,982)	(20,000)	(429,982)
RPTTF Authorized	8,186,545	6,267,797	14,454,342
Administrative RPTTF Authorized	263,570	263,569	527,139
ROPS 19-20 prior period adjustment (PPA)	(1,638,120)	0	(1,638,120)
Total RPTTF Approved for Distribution	\$ 6,811,995	\$ 6,531,366	\$ 13,343,361