



November 15, 2019

Ms. Cheryl Murase, Consultant  
City of Adelanto  
120 State College Boulevard, Suite 200  
Brea, CA 92821

Dear Ms. Murase:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Adelanto Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2020 through June 30, 2020 (Amended ROPS 19-20B) to the California Department of Finance (Finance) on October 1, 2019. Finance has completed its review of the Amended ROPS 19-20B.

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

- The Agency requested adjustments for bond payments. However, to date the Agency has not provided documentation to demonstrate that the adjustments are necessary to make payments during the ROPS 19-20B period as follows:
  - Item No. 3 – 1995 B Revenue Bonds in the requested adjustment of \$288,139 is not allowed. Finance previously authorized \$607,543 for the March 1, 2020 payment during the Annual ROPS 19-20 review, and the Agency confirmed that it has sufficient funds to make the March 2020 payment. Therefore, the \$288,139 adjustment in Redevelopment Property Tax Trust Fund (RPTTF) is not allowed.
  - Item No. 4 – 1995 C Revenue Bonds in the requested adjustment of \$274,946 is not allowed. Finance previously authorized \$810,096 for the March 1, 2020 payment during the Annual ROPS 19-20 review, and the Agency confirmed it has sufficient funds to make the March 2020 payment. Therefore, the \$274,946 in RPTTF is not allowed.
- Item No. 11 – Bond Administrative Costs in the requested adjustment of \$11,491 in Other Funds. Finance continues to deny this payment. It is our understanding the Agency exceeded the following amounts and now wishes to recognize the payment:
  - \$3,559 in the July 1, 2016 through June 30, 2017 (ROPS 16-17) period.
  - \$3,932 in the July 1, 2017 through June 30, 2018 (ROPS 17-18) period.
  - \$4,000 in the July 1, 2018 through June 30, 2019 (ROPS 18-19) period.

The obligation is currently paid-in-full for the ROPS periods noted above, and no shortfall exists. Finance reminds the Agency that funds in excess of the amounts approved on a ROPS cannot be expended. As such, Finance will not retroactively grant expenditure authority. Therefore, the requested \$11,491 in Other Funds is not allowed.

Since Finance did not approve any RPTTF, the Agency's maximum approved RPTTF distribution for the ROPS 19-20B period remains at \$2,388,987 as summarized in the Approved RPTTF Distribution table (see Attachment).

Please refer to the ROPS 19-20B schedule used to calculate the total RPTTF approved for distribution:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 19-20B. Please note there is not a Meet and Confer option for the Amended ROPS process, so Finance's determination is final. This determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this Amended 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 statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Todd Vermillion, Supervisor, or Michael Barr, Lead Analyst, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER  
Program Budget Manager

cc: Mr. Ward Komers, Acting Financial Director, City of Adelanto  
Ms. Linda Santillano, Chief Deputy, Property Tax, San Bernardino County

**Attachment**

| <b>Approved RPTTF Distribution<br/>January 2020 through June 2020</b> |                  |
|---|------------------|
| Authorized RPTTF on ROPS 19-20B                                       | \$ 2,263,987     |
| Authorized Administrative RPTTF on ROPS 19-20B                        | 125,000          |
| <b>Total Authorized RPTTF on ROPS 19-20B</b>                          | <b>2,388,987</b> |
| <b>Total Requested 19-20B RPTTF Adjustments</b>                       | <b>563,085</b>   |
| <b>Finance RPTTF Adjustments</b>                                      |                  |
| Item No. 3  | (288,139)        |
| Item No. 4  | (274,946)        |
| <b>Authorized 19-20B RPTTF Adjustments</b>                            | <b>0</b>         |
| <b>Total Amended ROPS 19-20B RPTTF approved for distribution</b>      | <b>2,388,987</b> |