



Transmitted via e-mail

April 13, 2020

Danielle Garcia, Director of Finance
City of Redlands
P.O. Box 3005
Redlands, CA 92373

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Redlands Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 14, 2020. Finance has completed its review of the ROPS 20-21.

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

Item Nos. 6, 10, 12, 41, and 43 – The Agency inadvertently requested an additional \$873,840 from Reserve Balances and \$47,900 from Other Funds for various obligations. According to our review of the Agency's reported cash balances and activities for the period July 1, 2017 through June 30, 2018 (ROPS 17-18) and accounting records, these funds are not available. Therefore, with the Agency's concurrence, the funding source for the following items has been reclassified to Redevelopment Property Tax Trust Fund (RPTTF) funding in the amounts specified below:

Item No.	Project Name/ Debt Obligation	Requested Reserve Balances	Requested Other Funds	Reclassified Reserve Balances	Reclassified Other Funds	Reclassified RPTTF
6	Fiscal Agent Fees	\$ 0	\$ 5,500	\$ 0	\$ (5,500)	\$ 5,500
10	Contract for Continuing Disclosure	0	2,200	0	(2,200)	2,200
12	Contract for Auditing Services	0	2,700	0	(2,700)	2,700
41	2016 A Tax Allocation Refunding	2,940,040	0	(873,840)	0	873,840
43	Rental Income Due to General Fund	0	37,500	0	(37,500)	37,500
	Total	\$2,940,040	\$ 47,900	\$ (873,840)	\$ (47,900)	\$ (921,740)

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 17-18 period. Reported differences in RPTTF are used to offset current RPTTF distributions. The County Auditor-Controller's review of the prior period adjustment form submitted by the Agency resulted in no prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,665,239, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 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 items adjusted, Finance is not objecting to the remaining items listed on the ROPS 20-21. If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, 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 of 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 20-21. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be deemed denied until the matter is resolved.

The ROPS 20-21 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 20-21 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 not denied 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.

Danielle Garcia
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Please direct inquiries to Anna Kyumba, Supervisor, or Daisy Rose, Staff, at
(916) 322-2985.

Sincerely,

A handwritten signature in blue ink that reads "Cheryl A. McCormick". The signature is written in a cursive, flowing style.Handwritten initials in blue ink, possibly "JW", located to the left of the typed name.

JENNIFER WHITAKER
Program Budget Manager

cc: Farrah Jenner, Assistant Finance Director, City of Redlands
Linda Santillano, Chief Deputy, Property Tax, San Bernardino County

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 0	\$ 1,724,773	\$ 1,724,773
Administrative RPTTF Requested	9,363	9,363	18,726
Total RPTTF Requested	9,363	1,734,136	1,743,499
RPTTF Requested	0	1,724,773	1,724,773
<u>Adjustments</u>			
Item No. 6	5,500	0	5,500
Item No. 10	2,200	0	2,200
Item No. 12	2,700	0	2,700
Item No. 41	0	873,840	873,840
Item No. 43	37,500	0	37,500
	47,900	873,840	921,740
RPTTF Authorized	47,900	2,598,613	2,646,513
Administrative RPTTF Authorized	9,363	9,363	18,726
Total RPTTF Approved for Distribution	\$ 57,263	\$ 2,607,976	\$ 2,665,239