



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 13, 2018

Ms. Margarita Cruz, Successor Agency Manager
City of Inglewood
One Manchester Boulevard
Inglewood, CA 90301

Dear Ms. Cruz:

Subject: 2018-19 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Inglewood Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2018 through June 30, 2019 (ROPS 18-19) to the California Department of Finance (Finance) on February 1, 2018. Finance has completed its review of the ROPS 18-19.

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

- Item No. 82 and 131 – Property maintenance and disposition costs in the requested amounts of \$566,808 and \$176,000, respectively, in Redevelopment Property Tax Trust Fund (RPTTF) for Item Nos. 82 and 131 is partially approved. Finance approved the Agency's Long-Range Property Management Plan (LRPMP) on October 1, 2015 and contracts and agreements necessary to maintain assets prior to disposition are allowable. However, the approved LRPMP states if for any reason the Agency's properties are not sold following a period of three years after plan approval, the Agency will transfer the properties to the City of Inglewood (City) for future development, wherein the City will be responsible for negotiating compensation agreements with the affected taxing entities. As such, the property maintenance and disposition costs incurred up to October 1, 2018 are allowed.

Therefore, maintenance costs (Item No. 82) of \$141,702 ($1/4 \times \$566,808$) for the July 1, 2018 through October 1, 2018 period are allowed. However, the remaining \$141,702 for the ROPS A period and the \$283,404 for the ROPS B period, totaling \$425,106, are not allowed. In addition, property appraisal costs (Item No. 131) beyond October 1, 2018 are not needed; therefore, the \$88,000 requested in the ROPS B period is not allowed.

- Item No. 136 and 139 – 2017 Parity Bond payments and reserves in the amount of \$64,168,327 has been adjusted. The Agency inadvertently requested incorrect amounts for the ROPS 18-19 period. Therefore with the Agency's concurrence, the amount of \$2,644,664 in RPTTF requested for Item No. 139 for the ROPS A period has been decreased by \$2,421 to \$2,642,243. In addition, a reduction in RPTTF of \$2,421 was applied to Item No. 136 in the ROPS B period to reflect the actual amounts owed.

- Item No. 140 – Imperial Prairie Pass-Through in the amount of \$3,806,891 is not allowed. It is our understanding this item is for deferred pass-through payments. Pursuant to HSC section 34183 (a) (1), the County Auditor-Controller (CAC) shall make the required pass-through payments for any pass-through agreement between the former Redevelopment Agency (RDA) and a taxing entity that was entered into prior to January 1, 1994 that would be in force during that fiscal year, had the RDA existed at that time. This pass-through agreement between the former Inglewood RDA, the City, Los Angeles County Flood Control District, County of Los Angeles, and the Los Angeles County Office of Education was entered into on December 21, 1993. Therefore, the CAC is responsible for determining amounts owed and making payments under this pass-through agreement. As such, this item is ineligible for RPTTF funding on the ROPS.
- On the ROPS 18-19 form, the Agency reported cash balances and activity for the period July 1, 2015 through June 30, 2016 (ROPS 15-16). According to our review, the Agency has approximately \$244,125 in Other Funds and \$15,418 in RPTTF unexpended from the ROPS 15-16 period available, totaling \$259,543, to fund enforceable obligations on the ROPS 18-19. These unexpended RPTTF funds are now considered Reserve Balances. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified from RPTTF to Other Funds and Reserve Balances in the amount specified below:
 - Item No. 102 – Project Implementation Cost - Hollywood Park in the amount of \$1,338,048. This item is an enforceable obligation for the ROPS 18-19 period; however, the obligation does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$1,078,505 and Other Funds and Reserve Balances funding in the amounts of \$244,125 and \$15,418, respectively, for a total of \$1,338,048 for the ROPS 18-19 period.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 18-19. If the Agency disagrees with our determination with respect to any items on the ROPS 18-19, 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's maximum approved RPTTF distribution for the reporting period is \$15,648,316 as summarized in the Approved RPTTF Distribution table on Page 5 (see Attachment).

RPTTF distributions occur biannually one distribution for the ROPS A period, and one distribution for the ROPS B period based on Finance's approved amounts. Since this determination is for the entire ROPS 18-19 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Pursuant to HSC section 34186 (c), beginning October 1, 2018, the Agency will be required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2016 through June 30, 2017 period (ROPS 16-17) to the CAC for review. The Agency will report actual payments for ROPS 16-17 on ROPS 19-20. A prior period adjustment may be applied to the Agency's ROPS 19-20 RPTTF distribution. Therefore, the Agency should retain any unexpended RPTTF from the ROPS 16-17 period.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 18-19. 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 18-19 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 18-19 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 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 Zuber Tejani, Lead Analyst, at (916) 322-2985.

Sincerely,



ERIKA LI
Program Budget Manager

cc: Ms. Sharon Koike, Assistant Finance Director, City of Inglewood
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

Attachment

Approved RPTTF Distribution For the period of July 2018 through June 2019			
	ROPS A Period	ROPS B Period	ROPS 18-19 Total
RPTTF Requested	\$ 12,085,136	\$ 7,544,740	\$ 19,629,876
Administrative RPTTF Requested	301,411	301,411	602,822
Total RPTTF Requested	12,386,547	7,846,151	20,232,698
RPTTF Requested	12,085,136	7,544,740	19,629,876
<u>Adjustments</u>			
Item No. 82	(141,702)	(283,404)	(425,106)
Item No. 102	(259,543)	0	(259,543)
Item No. 131	0	(88,000)	(88,000)
Item No. 136	0	(2,421)	(2,421)
Item No. 139	(2,421)	0	(2,421)
Item No. 140	(3,500,000)	(306,891)	(3,806,891)
	(3,903,666)	(680,716)	(4,584,382)
RPTTF Authorized	8,181,470	6,864,024	15,045,494
Administrative RPTTF Authorized	301,411	301,411	602,822
Total RPTTF Approved for Distribution	\$ 8,482,881	\$ 7,165,435	\$ 15,648,316