



REVISED

May 17, 2019

Ms. Tamar Sadd, Senior Administrative Officer
City of Glendale
633 East Broadway, Suite 201
Glendale, CA 91206

Dear Ms. Sadd:

Subject: 2018-19 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated May 17, 2018. A revision is necessary to address the May 9, 2019 court order regarding *the City of Glendale, the Agency, and the Glendale Housing Authority v. Finance, Case No. 34-2018-80002919*.

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Glendale Successor Agency (Agency) submitted an annual ROPS for the period of July 1, 2018 through June 30, 2019 (ROPS 18-19) to Finance on January 31, 2018. 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 25, 2018.

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

- Item No. 153 – Transfer of excess 2011 Non-Housing Tax Allocation Bond proceeds to the City of Glendale (City). In compliance with the court order, the requested amount of \$1,975,702 from excess 2011 Non-Housing tax allocation bond proceeds is approved for transfer pursuant to the Bond Expenditure Agreement.
- Item No. 154 – Transfer of excess 2011 Housing Tax Allocation Bond proceeds to the City. In compliance with the court order, the requested amount of \$8,555,709 from excess 2011 Housing bond proceeds is approved for transfer pursuant to the Bond Expenditure Agreement.

In addition, per Finance's letter dated May 17, 2018, we continue to make the following determination not contested by the Agency during the Meet and Confer:

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 \$121,479 in Redevelopment Property Tax Trust Fund (RPTTF) unexpended from the ROPS 15-16 period available 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, the funding source for the following item has been reclassified from RPTTF to Reserve Balances in the amount specified below:

- Item No. 89 – Pre-Dissolution Sponsoring Entity Loan payment in the amount of \$10,039,871. 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 \$9,918,392 and the use of Reserve Balances in the amount of \$121,479, for a total of \$10,039,871 for the ROPS 18-19 period.

The Agency's maximum approved RPTTF distribution for the reporting period is \$26,648,952 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2018 through December 31, 2018 period (ROPS A period) and one distribution for the January 1, 2019 through June 30, 2019 period (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 County Auditor-Controller 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.

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 Nichelle Jackson, Supervisor, or Todd Vermillion, Lead Analyst, at (916) 322-2985.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Philip Lanzafame, Director of Community Development, City of Glendale
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	\$ 14,708,060	\$ 11,603,519	\$ 26,311,579
Administrative RPTTF Requested	229,426	229,426	458,852
Total RPTTF Requested	14,937,486	11,832,945	26,770,431
RPTTF Requested	14,708,060	11,603,519	26,311,579
<u>Adjustment</u>			
Item No. 89	(121,479)	0	(121,479)
RPTTF Authorized	14,586,581	11,603,519	26,190,100
Administrative RPTTF Authorized	229,426	229,426	458,852
Total RPTTF Approved for Distribution	\$ 14,816,007	\$ 11,832,945	\$ 26,648,952