

Orange Countywide Oversight Board

Date: 9/26/2019

Agenda Item No. 10F

From: Successor Agency to the La Habra Redevelopment Agency

Subject: Straw Vote of the Countywide Oversight Board Regarding Administrative Budget

Recommended Action:

Hold a straw vote regarding FY 2020-21 Administrative Budget for the La Habra Successor Agency

The La Habra Successor Agency (Successor Agency) requests a straw vote of the Administrative Budget for Fiscal Year 2020-21. The Successor Agency shall return in January with a request for final approval of the Administrative Budget with the Recognized Obligation Payment Schedule (ROPS).

The Successor Agency requests a total of \$123,140 for Fiscal Year 2020-21 Administrative Budget as follows:

Administrative Budget	FY 20/21
Direct Payroll Costs (Salaries and benefits)	
Community Development Director (6%)	\$ 13,085
Director of Finance (6%)	13,679
Deputy Community Development Director (6%)	12,184
Housing and Econ Dev Manager (18%)	26,462
Finance Manager (14%)	22,815
Annual Audit	1,540
Attorney Fee	8,000
Arbitrage Rebate Report (2016 TABs)	4,000
Consultant Fee (HDL)	1,375
Appraisal Fee	5,000
Property Survey/Marketing - Professional Services	5,000
Administrative Overhead	10,000
Total Administrative Budget	<u>\$ 123,140</u>

The direct payrolls of Community Development Director, Director of Finance, and Deputy Community Development Director are budgeted at 6% to account for time that the Directors spent on participating in meetings, reviewing, and approving works completed by Housing and Economic Development Manager and Finance Manager.

The direct payroll of Housing and Economic Development Manager is budgeted at 18%. The cost represents time that the Housing and Economic Development Manager is expected to spend on Successor Agency related affairs such as processing, coordinating, and negotiating a disposal of the remaining Successor Agency's property, preparing staff reports, attending and presenting reports to the Oversight Board.

The direct payroll of Finance Manager is budgeted at 14%. The cost represents time that the Finance Manager is expected to spend on preparing, reconciling, and submitting ROPS and Prior Period Adjustment Form required by the County and the State Department of Finance (DOF). This cost is also accounted for time spent on coordinating and responding to the County and the DOF when questions arise in the ROPS reviewing process.

The cost of an annual audit is allocated to the Successor Agency based on the proportionate share of the Successor Agency assets to the City's entire assets which is approximately 2%. Annual audit cost of \$1,540 represents 2% of the annual audit contract of \$76,975.

The attorney fee of \$8,000 is budgeted for FY2020-21. It represents a retainer fee for potential legal services relating to Successor Agency's affairs such as disposal of Successor Agency's property, ROPS Meet and Confer, etc.

The arbitrage rebate report of \$4,000 represent the cost to have arbitrage rebate report prepared by a consultant for 2016 Tax Allocation Bonds. This report is required every 5 years.

The consultant fee of \$1,375 represents the cost for property tax consulting services such as tax increment projection, cash flow projection, and monitor distribution of tax-sharing revenues. This cost is allocated to the Successor Agency based on the proportionate share of the Successor Agency assessed property value to the City's entire assessed property value, which is approximately 10%.

The appraisal fee of \$5,000 represents the cost for appraisal services relating to the remaining Successor Agency's property.

The professional services fee of \$5,000 represents the cost for survey and marketing services relating to the remaining Successor Agency's property

Administrative overhead of \$10,000 represents administrative support services provided by the City to the Successor Agency such as City Council, City Manager, City Clerk, and financial services (accounting, banking, accounts payable, etc.).

Staff Contact(s)

Miranda Cole-Corona, Housing and Economic Development Manager
mcole@lahabraca.gov, (562) 383-4110

Jack Ponvanit, Finance Manager
jponvanit@lahabraca.gov, (562) 383-4051

Attachments

1. Approved ROPS 18-19
2. Approved Administrative Budget in ROPS 18-19
3. DOF Letter Approving ROPS 18-19
4. Approved ROPS 19-20
5. Approved Administrative Budget in ROPS 19-20
6. DOF Letter Approved ROPS 19-20

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary
Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency:

La Habra

County:

Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 324,921	\$ 7,800	\$ 332,721
B	Bond Proceeds	-	-	-
C	Reserve Balance	-	-	-
D	Other Funds	324,921	7,800	332,721
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 1,649,086	\$ 2,106,282	\$ 3,755,368
F	RPTTF	1,530,386	1,981,282	3,511,668
G	Administrative RPTTF	118,700	125,000	243,700
H	Current Period Enforceable Obligations (A+E):	\$ 1,974,007	\$ 2,114,082	\$ 4,088,089

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby
certify that the above is a true and accurate Recognized Obligation
Payment Schedule for the above named successor agency.

Name

Title

/s/

Signature

Date

La Habra Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail																						
July 1, 2018 through June 30, 2019																						
(Report Amounts in Whole Dollars)																						
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total	18-19A (July - December)					18-19A Total	18-19B (January - June)					18-19B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$ 15,077,666		\$ 4,088,089	\$ -	\$ -	\$ 324,921	\$ 1,530,386	\$ 118,700	\$ 1,974,007	\$ -	\$ -	\$ 7,800	\$ 1,981,282	\$ 125,000	\$ 2,114,082
1	1998 COP B/C Loan Debt Service	City/County Loan (Prior	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Future Principal on	LHRA	2,070,000	N	\$ 375,000				375,000		\$ 375,000						\$ -
2	1998 COP B/C Loan Debt Service Interest	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Future Interest on Loan Agreement	LHRA	273,818	N	\$ 95,851				52,663		\$ 52,663				43,188		\$ 43,188
3	1998 COP B/C Loan Debt Service Principal	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C principal due but unpaid on Loan Agreement	LHRA	1,674,769	N	371,861										371,861		371,861
4	1998 COP B/C Loan Debt Service Interest	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Interest due but unpaid on Loan Agreement	LHRA	275,755	N	275,755				275,755		275,755						
11	1001 Imperial purch Loan Principal	City/County Loan (Prior 06/28/11), Property transaction	6/15/2009	7/5/2038	City of La Habra	Promissory Note (Due in June 2014)	LHRA	1,401,700	N	\$ -						\$ -						\$ -
12	1001 Imperial purch Loan Interest	City/County Loan (Prior 06/28/11), Property transaction	6/15/2009	7/5/2038	City of La Habra	Promissory Note (Due in June 2014)	LHRA	628,581	N	\$ -						\$ -						\$ -
13	Bond Fees	Fees	11/1/2000	10/1/2032	Bank of New York	Trustee Fees	LHRA	9,000	N	\$ 9,000				6,000		\$ 6,000				3,000		\$ 3,000
16	OPA Marketplace Property Tax	OPA/DDA/Construction	2/8/1992	5/17/2017	La Habra Associates LLC	Owner Participation Agreements	LHRA	923,991	N	\$ 396,693			52,071	344,622		\$ 396,693						\$ -
17	Employee Costs	Admin Costs	1/1/2014	7/5/2038	Employees of the Agency	Payroll for Employees	LHRA	48,846	N	\$ 48,846					24,423	\$ 24,423					24,423	\$ 24,423
20	1999 CFD Refunding bonds	Bonds Issued On or Before 12/31/10	1/1/1999	9/1/2019	Bank of New York	Bond Obligation - Principal Payment	LHRA	505,000	N	\$ 245,000			245,000			\$ 245,000						\$ -
21	1999 CFD Refunding bonds	Bonds Issued On or Before 12/31/10	1/1/1999	9/1/2019	Bank of New York	Bond Obligation - Interest Payment	LHRA	30,750	N	\$ 22,950			15,150			\$ 15,150			7,800			\$ 7,800
22	Consulting CFD Preparation	Professional Services	7/1/2012	6/30/2015	NBS	CFD Special Assessment Preparation	LHRA	3,900	N	\$ 3,900			3,900			\$ 3,900						\$ -
23	Bond fees for 1999 CFD Refunding	Bonds Issued On or Before 12/31/10	10/31/2002	9/1/2019	Bank of New York	Trustee Fees-Mello Roos	LHRA	2,500	N	\$ 2,500			2,500			\$ 2,500						\$ -
24	Administrative Costs	Admin Costs	1/1/2014	7/5/2016	City of La Habra	Cost for Internal Service expenses	LHRA	92,170	N	\$ 85,870			6,300		36,635	\$ 42,935					42,935	\$ 42,935
25	900 Block Landscape Services	Property Maintenance	6/1/2011	7/5/2038	Arcadia Landscape	Owner Participation Agreements	LHRA	6,690	N	\$ 6,690					3,345	\$ 3,345					3,345	\$ 3,345
26	Contract Audit	Professional Services	6/17/2013	6/30/2014	White Nelson Diehl Evans	Annual Financial Audit	LHRA	10,000	N	\$ 10,000					5,000	\$ 5,000					5,000	\$ 5,000
27	Contract Attorney	Legal	4/12/2012	7/5/2016	Best Best and Krieger	Redevelopment Attorney	LHRA	63,332	N	\$ 63,332					31,666	\$ 31,666					31,666	\$ 31,666
28	Contract Arbitrage Rebate Report	Professional Services	9/22/2004	10/1/2032	Bond Logistix	Arbitrage analysis	LHRA		N	\$ -						\$ -						\$ -
29	Consulting Service Property Tax	Professional Services	3/10/1998	6/30/2014	Hinderlighter and De Llamas	Research and anaylsis of RDA Prop Tax	LHRA	14,914	N	\$ 14,914					7,457	\$ 7,457					7,457	\$ 7,457
30	General Operations	Admin Costs	6/1/2011	7/5/2016	Various	Operations	LHRA	5,700	N	\$ 5,700					2,850	\$ 2,850					2,850	\$ 2,850
31	Fencing Rentals	Project Management Costs	6/1/2011	7/5/2038	Cal-State Rent A Fence, Inc.	Fencing Rentals	LHRA		Y	\$ -						\$ -						\$ -
32	Property Taxes	Fees	1/1/2014	6/30/2014	County of Orange	Sanitation Fees	LHRA	14,648	N	\$ 14,648					7,324	\$ 7,324					7,324	\$ 7,324
40	1998 COP B/C Interest on Debt Service Principal	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Loan - Interest on due but unpaid principal balance	LHRA	119,068	N	\$ 119,068						\$ -				119,068		\$ 119,068
41	1998 COP B/C Interest on Debt Service Interest	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Loan - Interest on due but unpaid interest balance	LHRA	600,100	N	600,100				251,343		251,343				348,757		348,757
43	2016 Tax Allocation Refunding Bonds Principal	Bonds Issued After 12/31/10	12/13/2016	10/1/2032	Bank of New York	Bond Obligation	LHRA	4,307,500	N	\$ 372,500				122,500		\$ 122,500				250,000		\$ 250,000
44	2016 Tax Allocation Refunding Bonds Interest	Bonds Issued After 12/31/10	12/13/2016	10/1/2032	Bank of New York	Bond Obligation	LHRA	1,294,544	N	\$ 247,521				84,957		\$ 84,957				162,564		\$ 162,564
45	Legal Fees - Litigation VS DOF	Legal	3/1/2015	12/31/2016	Best Best and Krieger	Legal Fees for the Litigation Case Number 34-2015-80002208	LHRA	-	Y	\$ -						\$ -						\$ -
46	2000 Tax Allocation Bonds, unfunded 2016 debt service payment	RPTTF Shortfall	9/15/1998	9/1/2022	City of La Habra	RPTTF Shortfall (ROPS 16-17B) for 1998 COP B/C Loan Debt Service Principal (Item #3)	LHRA	-	Y	\$ -						\$ -						\$ -
47	1998 COP B/C Interest on Debt Service Principal	RPTTF Shortfall	9/15/1998	9/1/2022	City of La Habra	RPTTF Shortfall (ROPS 17-18) for 1998 COP B/C Loan - Interest on due but unpaid principal balance (Item #40)	LHRA	682,844	N	\$ 682,844						\$ -				682,844		\$ 682,844
48	OPA Vons/Smith's Food	OPA/DDA/Construction	3/17/1992	5/17/2017	Smith's Food and Drug	Owner Participation Agreements	LHRA	17,546	N	\$ 17,546				17,546		\$ 17,546						\$ -
49									N	\$ -						\$ -						\$ -
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79																						

La Habra Successor Agency
Approved Administrative Budget
ROPS 18-19

Administrative Budget	Amount
Salaries and benefits	\$ 48,846
Annual Audit	10,000
Attorney Fees	63,332
Property Maintenance	6,690
Consultant Fee (HDL)	14,914
Administrative Overhead	85,270
Property Taxes (Sewer Assessment)	14,648
Total Administrative Budget	\$ 243,700



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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

April 11, 2018

Mr. Carlos Jaramillo, Deputy Director of Community & Economic Development
City of La Habra
201 East La Habra Boulevard
La Habra, CA 90631

Dear Mr. Jaramillo:

Subject: 2018-19 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of La Habra 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 January 25, 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 Nos. 43 and 44 – 2016 Tax Allocation Refunding Bonds debt service payments totaling \$413,739 in Other Funds. It is our understanding the Agency requested the funding source for these items in error. Per discussion with Agency staff and a review of documentation provided, the source of the \$413,739 Other Funds requested for the annual period is Redevelopment Property Tax Trust Fund (RPTTF). As a result, Other Funds requested has been adjusted to zero and RPTTF funding has been increased by \$413,739 (\$247,500 and \$166,239, respectively) for the ROPS 18-19 period.
- The claimed administrative costs exceed the allowance by \$6,300. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$250,000 for the fiscal year 18-19. Although \$256,300 is claimed for ACA, only \$250,000 is available pursuant to the cap:

Administrative Cost Allowance Calculation	
Actual RPTTF distributed for fiscal year 2017-18	\$ 3,149,823
Less distributed Administrative RPTTF	(250,000)
RPTTF distributed for 2017-18 after adjustment	2,899,823
ACA Cap for 2018-19 per HSC section 34171 (b)	250,000
ACA requested for 2018-19	256,300
Total ACA	256,300
ACA in Excess of Cap	\$ (6,300)

The Agency's administrative costs totaled \$256,300, consisting of \$250,000 payable from Administrative RPTTF and \$6,300 from Other Funds. Therefore, \$6,300 of excess administrative costs payable from RPTTF for Item No. 24 is not allowed.

- 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 \$52,071 from Other Funds available to fund enforceable obligations on the ROPS 18-19. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, with the Agency's concurrence, Finance has reclassified the funding source for the following item from RPTTF to Other Funds in the amount specified below:

- Item No. 16 – Owner Participation Agreement, Marketplace Property Tax in the amount of \$396,693 is partially reclassified. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$344,622 and the use of Other Funds in the amount of \$52,071, totaling \$396,693.

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/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$3,755,368 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 Orange 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.

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 Nichelle Jackson, Supervisor, or Thong Thao, Analyst, at (916) 322-2985.

Sincerely,

A handwritten signature in blue ink, appearing to read "Erika Li", with a stylized flourish extending to the right.

ERIKA LI
Program Budget Manager

cc: Mr. Jack Ponvanit, Finance Manager, City of La Habra
Ms. Cindy Wong, Property Tax Manager, Orange 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	\$ 1,375,000	\$ 1,775,000	\$ 3,150,000
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	1,500,000	1,900,000	3,400,000
RPTTF Requested	1,375,000	1,775,000	3,150,000
<u>Adjustments</u>			
Item No. 16	(52,071)		(52,071)
Item No. 43	122,500	125,000	247,500
Item No. 44	84,957	81,282	166,239
	155,386	206,282	361,668
RPTTF Authorized	1,530,386	1,981,282	3,511,668
Administrative RPTTF Requested	125,000	125,000	250,000
<u>Adjustment</u>			
Item No. 24	(6,300)	0	(6,300)
Administrative RPTTF Authorized	118,700	125,000	243,700
Total RPTTF Approved for Distribution	\$ 1,649,086	\$ 2,106,282	\$ 3,755,368

Recognized Obligation Payment Schedule (ROPS 19-20) - Summary
Filed for the July 1, 2019 through June 30, 2020 Period

Successor Agency:

La Habra

County:

Orange

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)		19-20A Total (July - December)	19-20B Total (January - June)	ROPS 19-20 Total
A	Enforceable Obligations Funded as Follows (B+C+D):	\$ 279,903	\$ -	\$ 279,903
B	Bond Proceeds	274,023	-	274,023
C	Reserve Balance	-	-	-
D	Other Funds	5,880	-	5,880
E	Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 1,539,961	\$ 1,521,518	\$ 3,061,479
F	RPTTF	1,414,961	1,396,518	2,811,479
G	Administrative RPTTF	125,000	125,000	250,000
H	Current Period Enforceable Obligations (A+E):	\$ 1,819,864	\$ 1,521,518	\$ 3,341,382

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby
certify that the above is a true and accurate Recognized Obligation
Payment Schedule for the above named successor agency.

Name

Title

/s/

Signature

Date

La Habra Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail																						
July 1, 2019 through June 30, 2020																						
(Report Amounts in Whole Dollars)																						
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 19-20 Total	19-20A (July - December)					19-20A Total	19-20B (January - June)					19-20B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$ 11,704,045		\$ 3,341,382	\$ 274,023	\$ 0	\$ 5,880	\$ 1,414,961	\$ 125,000	\$ 1,819,864	\$ 0	\$ 0	\$ 0	\$ 1,396,518	\$ 125,000	\$ 1,521,518
	1 1998 COP B/C Loan Debt Service	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Future Principal on	LHRA	1,695,000	N	\$ 395,000				395,000		\$ 395,000						\$ -
	2 1998 COP B/C Loan Debt Service Interest	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Future Interest on Loan Agreement	LHRA	177,968	N	\$ 76,301				43,188		\$ 43,188				33,113		\$ 33,113
	3 1998 COP B/C Loan Debt Service Principal	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C principal due but unpaid on Loan Agreement	LHRA	1,302,908	N	\$ 1,302,908				270,000		\$ 270,000				1,032,908		\$ 1,032,908
	4 1998 COP B/C Loan Debt Service Interest	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Interest due but unpaid on Loan Agreement	LHRA	0	Y	\$ -						\$ -						\$ -
	11 1001 Imperial purch Loan Principal	City/County Loan (Prior 06/28/11), Property transaction	6/15/2009	7/5/2038	City of La Habra	Promissory Note (Due in June 2014)	LHRA	1,401,700	N	\$ -						\$ -						\$ -
	12 1001 Imperial purch Loan Interest	City/County Loan (Prior 06/28/11), Property transaction	6/15/2009	7/5/2038	City of La Habra	Promissory Note (Due in June 2014)	LHRA	671,054	N	\$ -						\$ -						\$ -
	13 Trustee Fees	Fees	11/1/2000	10/1/2032	Bank of New York	Trustee Fees	LHRA	9,000	N	\$ 9,000				6,000		\$ 6,000				3,000		\$ 3,000
	16 OPA Marketplace Property Tax	OPA/DDA/Construction	2/8/1992	9/1/2019	La Habra Associates LLC	Owner Participation Agreements	LHRA	408,232	N	\$ 408,232	4,636		5,880	397,716		\$ 408,232						\$ -
	17 Employee Costs	Admin Costs	1/1/2014	7/5/2038	Employees of the Agency	Payroll for Employees	LHRA	0	Y	\$ -						\$ -						\$ -
	20 1999 CFD Refunding bonds	Bonds Issued On or Before 12/31/10	1/1/1999	9/1/2019	Bank of New York	Bond Obligation - Principal Payment	LHRA	260,000	N	\$ 260,000	260,000					\$ 260,000						\$ -
	21 1999 CFD Refunding bonds	Bonds Issued On or Before 12/31/10	1/1/1999	9/1/2019	Bank of New York	Bond Obligation - Interest Payment	LHRA	7,800	N	\$ 7,800	7,800					\$ 7,800						\$ -
	22 Consulting CFD Preparation	Professional Services	7/1/2012	9/1/2019	Various	CFD Special Assessment Preparation	LHRA	1,587	N	\$ 1,587	1,587					\$ 1,587						\$ -
	23 Bond fees for 1999 CFD Refunding	Bonds Issued On or Before 12/31/10	10/31/2002	9/1/2019	Bank of New York	Trustee Fees-Mello Roos	LHRA	0	N	\$ -						\$ -						\$ -
	24 Administrative Costs	Admin Costs	1/1/2014	10/1/2032	Various	Operations	LHRA	250,000	N	\$ 250,000					125,000	\$ 125,000				125,000		\$ 125,000
	25 900 Block Landscape Services	Property Maintenance	6/1/2011	7/5/2038	Arcadia Landscape	Owner Participation Agreements	LHRA	0	Y	\$ -						\$ -						\$ -
	26 Contract Audit	Professional Services	6/17/2013	6/30/2020	White Nelson Diehl Evans	Annual Financial Audit	LHRA	0	Y	\$ -						\$ -						\$ -
	27 Contract Attorney	Legal	4/12/2012	6/30/2020	Best Best and Krieger	Redevelopment Attorney	LHRA	0	Y	\$ -						\$ -						\$ -
	28 Contract Arbitrage Rebate Report	Professional Services	9/22/2004	10/1/2032	Bond Logistix	Arbitrage analysis	LHRA	0	Y	\$ -						\$ -						\$ -
	29 Consulting Service Property Tax	Professional Services	3/10/1998	6/30/2020	Hinderlighter and De Llamas	Research and anaylsis of RDA Prop Tax	LHRA	0	Y	\$ -						\$ -						\$ -
	30 Continuing Disclosure Fees	Fees	6/1/2011	10/1/2032	Urban Futures	Continuing Disclosure Fees	LHRA	3,250	N	\$ 3,250						\$ -				3,250		\$ 3,250
	32 Property Taxes	Fees	1/1/2014	10/1/2032	County of Orange	Sanitation Fees	LHRA	0	Y	\$ -						\$ -						\$ -
	40 1998 COP B/C Interest on Debt Service Principal	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Loan - Interest on due but unpaid principal balance	LHRA	130,344	N	\$ 130,344				96,775		\$ 96,775				33,569		\$ 33,569
	41 1998 COP B/C Interest on Debt Service Interest	City/County Loan (Prior 06/28/11), Other	9/15/1998	9/1/2022	City of La Habra	1998 COP B/C Loan - Interest on due but unpaid interest balance	LHRA	0	Y	\$ -						\$ -						\$ -
	43 2016 Tax Allocation Refunding Bonds Principal	Bonds Issued After 12/31/10	12/13/2016	10/1/2032	Bank of New York	Bond Obligation	LHRA	4,185,000	N	\$ 267,500				125,000		\$ 125,000				142,500		\$ 142,500
	44 2016 Tax Allocation Refunding Bonds Interest	Bonds Issued After 12/31/10	12/13/2016	10/1/2032	Bank of New York	Bond Obligation	LHRA	1,128,306	N	\$ 157,564				81,282		\$ 81,282				76,282		\$ 76,282
	47 1998 COP B/C Interest on Debt Service Principal	RPTTF Shortfall	9/15/1998	9/1/2022	City of La Habra	RPTTF Shortfall (ROPS 17-18) for 1998 COP B/C Loan - Interest on due but unpaid principal balance (Item #40)	LHRA	0	Y	\$ -						\$ -						\$ -
	48 OPA Vons/Smith's Food	OPA/DDA/Construction	3/17/1992	5/17/2017	Smith's Food and Drug	Owner Participation Agreements	LHRA	0	Y	\$ -						\$ -						\$ -
	49 RPTTF Shortfall for ROPS 18-19 (Admin)	RPTTF Shortfall	1/1/2014	10/1/2032	City of La Habra	RPTTF Shortfall (ROPS 18-19) for Administrative Costs (Item #24)	LHRA	71,896	N	\$ 71,896						\$ -				71,896		\$ 71,896
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La Habra Successor Agency
Approved Administrative Budget
ROPS 19-20

Administrative Budget	Amount
Salaries and benefits	\$ 115,200
Materials & Supplies	3,200
Annual Audit	4,200
Attorney Fees	10,000
Property Maintenance	7,000
Arbitrage Rebate Report	2,500
Consultant Fee (HDL)	15,000
Utilities	1,300
Risk Management (Insurance & General Liability)	67,400
Administrative Overhead	21,600
Property Taxes (Sewer Assessment)	2,600
Total Administrative Budget	\$ 250,000

April 15, 2019

Mr. Carlos Jaramillo, Deputy Director of Community & Economic Development
City of La Habra
201 East La Habra Boulevard
La Habra, CA 90631

Dear Mr. Jaramillo:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of La Habra Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 31, 2019. Finance has completed its review of the ROPS 19-20.

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

- Item No. 22 – Consulting Community Facilities District (CFD) Preparation Fees, total requested amount of \$12,000. Subsequent to the ROPS submission, the Agency determined the amount requested is overstated. According to the Agency, only \$1,587 will be necessary to fund the obligation during the ROPS 19-20 period. Therefore, with the Agency's concurrence, Finance is approving the use of \$1,587 from Bond Proceeds and reducing the use of Other Funds, from \$11,489 to zero.
- Item No. 23 – Bond Fees for 1999 CFD Refunding in the requested amount of \$2,500. Subsequent to the ROPS submission, the Agency determined it will no longer need to fund this item for the ROPS 19-20 period. Therefore, with the Agency's concurrence, Finance is reducing the amount requested from Bond Proceeds by \$2,500 to zero.
- Item No. 30 – Continuing Disclosure Fees in the total requested amount of \$3,250. This item was originally listed as General Operations. In ROPS 19-20, the Agency changed the project name/debt obligation to Continuing Disclosure Fees. However, line items on the ROPS may either be added or retired, but the project name/debt obligation must stay the same. Although Finance is approving \$3,250 to fund continuing disclosure fees from Redevelopment Property Tax Trust Fund (RPTTF), any new obligation must be listed as a new line item in the future.

On the ROPS 19-20 form, the Agency reported cash balances and activity for the period July 1, 2016 through June 30, 2017 (ROPS 16-17). According to our review, the Agency has approximately \$4,636 from Bond Proceeds and \$5,880 from Other Funds, totaling \$10,516, available to fund enforceable obligations on the ROPS 19-20. 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 in the amount specified below:

- Item No. 16 – Marketplace Property Tax Owner's Participation Agreement in the total requested RPTTF amount of \$408,232 is partially reclassified. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$397,716, Bond Proceeds in the amount of \$4,636, and Other Funds in the amount of \$5,880, totaling \$408,232.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 4 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency, as adjusted by Finance. The prior period adjustment is adjusted to \$3,107.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items that 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 \$3,058,372 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. 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 denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

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

Mr. Carlos Jaramillo

April 15, 2019

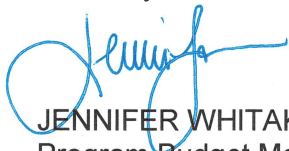
Page 3

This determination is effective for the ROPS 19-20 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 Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Jack Ponvanit, Finance Manager, City of La Habra
Mr. Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 1,425,477	\$ 1,396,518	\$ 2,821,995
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	1,550,477	1,521,518	3,071,995
RPTTF Requested	1,425,477	1,396,518	2,821,995
<u>Adjustments</u>			
Item No. 16	(10,516)	0	(10,516)
RPTTF Authorized	1,414,961	1,396,518	2,811,479
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Authorized for Obligations	1,539,961	1,521,518	3,061,479
Prior Period Adjustment	(3,107)	0	(3,107)
Total RPTTF Approved for Distribution	\$ 1,536,854	\$ 1,521,518	\$ 3,058,372