

Orange Countywide Oversight Board

Agenda Item No. 15c

Date: 9/22/2020

From: Successor Agency to the Fullerton Redevelopment Agency

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

Recommended Action:

Hold a straw vote regarding FY 2021-22 Administrative Budget for the Fullerton Successor Agency

The Fullerton Successor Agency requests a straw vote of the proposed Administrative Budget for Fiscal Year 2021-22. The Successor Agency shall return in January with a request for final approval of the Administrative Budget with the annual Recognized Obligation Payment Schedule (ROPS).

The administrative budget amount being requested for FY 2021-22 is \$335,912 consistent with the calculated administrative budget allowance amount per the department of finance's guidelines. If approved, this amount will be allocated to staff salaries, direct costs including supplies, postage, printing, legal and professional contractual services, and indirect costs including insurance, facility maintenance and repair, custodial, computer and software, and human resources support costs. Please note that indirect costs were calculated at 1% or less of total costs.

Last year the City Council approved reorganizing and modifying staff assignments in order to prioritize completion of Successor Agency wind-down efforts. The hours of staff time is estimated for personnel that work on activities for the successor agency dissolution such as making monthly, quarterly, and yearly payments on enforceable obligations including bond debt service, leases, and rents. Accounting for payments received on loans and notes. Other tasks involved are budget preparation and monitoring, preparation of annual Recognized Obligation Payment Schedules (ROPS), annual Prior Period Adjustment (PPA) reports, financial reconciliation and audits as well as various planning, development and real property related project management including consultant and attorney time for implementing the Long Range Property Management Plan (LRPMP) and future disposition of the remaining five properties/assets. In addition, city clerk staff are needed for items that are presented to the Successor Agency Board and uploaded to the City's website. Information technology staff is needed for computer and software support.

More specifically, the Fullerton Successor Agency has the following remaining bond payment obligations that are outstanding and require bi-annual payment processing and annual reporting. Please note that the 2005 and 2010 bonds have been recently refunded with the 2020 Series A and B bonds, so future ROPS will be adjusted accordingly to reflect the refunding.

ROPS Item No.	Bond Name	Term Ends
4	2005 Tax Allocation Bonds	2027-28
6	2010 Taxable Tax Allocation Housing Bonds	2026-27
60	2015 Tax Allocation Refunding Bonds (refunded 1998)	2024-25

	Revenue Bonds)	
49	Annual bank trustee fees for bonds	Until all bonds are paid

In addition to the bonds debt service payments there are two property leases and a purchase and sale agreement that require monthly and quarterly payment processing:

ROPS Item No.	Lease Name	Reference	Term Ends	Purpose
9	Fullerton Arboretum		December 3, 2020	Development and use of park premises and facilities.
11	Miller Property Lease		August 1, 2024	Use of premises. Currently used for public parking.
62	Miller Property Purchase		2024	Purchase and Sale agreement when lease expires

Another task that requires staff time are the outstanding loans issued by the former redevelopment agency. There are over 50 commercial and seismic rehabilitation loans that staff has to bill monthly and process payments, issue delinquent notices, monitor and report on a quarterly basis. When the loans are going to be paid in full, a demand letter is prepared, final payment is processed and reconveyance of title for deeds need to be prepared, executed and recorded.

As mentioned, the Successor Agency together with the City continues to work on implementing the Long Range Property Management Plan (LRPMP). Specifically, there are five properties/assets that were designated for future economic development:

- Fox Block Theatre Complex – Disposition and Development Agreement (DDA) for the rehabilitation of the theatre and tea room. Staff is responsible for monitoring and enforcing the DDA and working with the foundation for the completion of the restoration of the structure. Over the course of the next year, the City will be working with the Fox Theater Foundation to expedite the rehabilitation as well as working with private developers on adjoining parcels for future development which will greatly benefit the overall Fox Block.
- Fox Block Peck Parking Structure – Owner Participation Agreement (OPA). Staff is working with a development team to construct a parking structure with ground floor commercial uses. This process will begin in earnest this budget year with expected start of entitlement, plan check, and eventual construction and inspection activities.
- Fox Block Public Parking Lot – Staff is working with a development team to incorporate this property with the parking structure and theatre project mentioned above.
- Amerige Court Site - Staff is reviewing the feasibility of future uses for this site. The Disposition and Development Agreement expired and the current site remains a public parking lot for surrounding businesses.

- Fullerton Transportation Center – This property consists of 14 assessor parcels developed with a train depot, parking lots and businesses. Staff, together with a developer and legal counsel are currently evaluating a development proposal which will start the entitlement process at the beginning of 2020. Due to the location of the development proposal, this project will involve significant staff time and additional staffing resources as reflected in the administrative budget.

As part of the LRPMP, the City was required to secure a compensation agreement from all public taxing entities that share in the property tax base prior to the disposition of the Successor Agency owned real properties if the property sale is for economic development purposes. Compensation Agreements have been secured from all taxing entities and state that for those properties sold for economic development purposes, the City shall remit all eligible net unrestricted proceeds to the Orange County Auditor-Controller's Office for distribution to the taxing entities. Accordingly, the City did not request any change to the standard distribution of pro rata share of property tax when these properties are sold.

There were some staffing changes and the COVID-19 pandemic significantly impacted the economy by slowing everything down. As a result, only a little progress was made on implementing the LRPMP.

Staff Contact(s)

Fullerton Successor Agency staff contacts are as follows:

Kellee Fritzal, Deputy Director of Community and Economic Development
714-738-6837 or via e-mail at KFritzal@cityoffullerton.com

Ramona Castaneda, Revenue Manager
714-738-6573 or via e-mail at Ramonac@cityoffullerton.com

Attachments

Attachment 1 – Fullerton Successor Agency FY 2021-22 Proposed Administrative Budget Allowance

Attachment 2 – Fullerton Successor Agency Administrative Budget FY 2020-21

Attachment 3 – Fullerton Successor Agency Administrative Budget FY 2019-20

Attachment 4 – Department of Finance letter of determination regarding 2020-21 Annual Recognized Obligation Payment Schedule and administrative cost allowance

Attachment 5 – Department of Finance letter of determination dated regarding 2019-20 Annual Recognized Obligation Payment Schedule and administrative cost allowance

Attachment 1

Fullerton Successor Agency FY 2020-21 Proposed Administrative Budget Allowance

Direct Personnel Costs

Position	Department	FY 2020-21 Costs	Hourly Rate	Successor Agency Hours	Successor Agency Admin Cost	% of time SA Admin
City Manager	City Manager	313,236	150.59	108	16,264	5.19%
Deputy City Manager	City Manager	218,733	105.16	108	11,357	5.19%
Administrative Analyst	City Manager	122,369	58.83	108	6,354	5.19%
Executive Assistant	City Manager	119,269	57.34	108	6,193	5.19%
City Clerk	City Clerk	174,338	83.82	12	1,006	0.58%
Assistant City Clerk	City Clerk	105,204	50.58	12	607	0.58%
Administrative Services Director	Administrative Services	266,107	127.94	48	6,141	2.31%
Revenue Manger	Administrative Services	191,288	91.97	240	22,072	11.54%
Fiscal Services Manager	Administrative Services	158,258	76.09	48	3,652	2.31%
Budget Analyst	Administrative Services	113,234	54.44	48	2,613	2.31%
Accounting Supervisor	Administrative Services	147,459	70.89	48	3,403	2.31%
Accountant II	Administrative Services	119,716	57.56	48	2,763	2.31%
Account Clerk II (AP)	Administrative Services	68,095	32.74	12	393	0.58%
Account Clerk II (AR)	Administrative Services	50,802	24.42	12	293	0.58%
Payroll Technician	Administrative Services	92,210	44.33	12	532	0.58%
Information Technology Webmaster	Administrative Services	121,432	58.38	12	701	0.58%
Information Systems Assistant	Administrative Services	79,290	38.12	12	457	0.58%
Director	Community Development	218,733	105.16	240	25,238	11.54%
Deputy Director	Community Development	194,981	93.74	360	33,747	17.31%
Planning Manager	Community Development	180,336	86.70	120	10,404	5.77%
Analyst	Community Development	113,234	54.44	240	13,065	11.54%
HR Manager I	Human Resources	152,423	73.28	12	879	0.58%
Real Property Agent	Public Works - Engr.	143,363	68.92	168	11,579	8.08%
Total Direct Personnel Costs:					179,713	

Other Direct Costs

Attorney Fees	45,000
Consultant Fees	46,000
Audit Fees	4,400
Postage	50
Auto Expense	50
Office Supplies	1,199
Printing	500
Total Other Direct Costs:	97,199

Indirect Costs

(Applied at 1% or less of total costs)

Worker's Compensation Insurance	9,000
Liability Insurance	15,000
Facility Maintenance (Bldg and VOIP Phone)	13,000
Custodial	5,000
Facility Capital Repair	5,000
IT/Computer Allocations	10,000
Human Resources (non-payroll)	2,000
Total Indirect Costs:	59,000

Total Successor Agency Admin Allowance Cost: 335,912

Attachment 2

Fullerton Successor Agency FY 2020-21 Proposed Administrative Budget Allowance

Direct Personnel Costs

Position	Department	FY 2020-21 Costs	Hourly Rate	Successor Agency Hours	Successor Agency Admin Cost	% of time SA Admin
City Manager	City Manager	313,236	150.59	108	16,264	5.19%
Deputy City Manager	City Manager	218,733	105.16	108	11,357	5.19%
Administrative Analyst	City Manager	122,369	58.83	108	6,354	5.19%
Executive Assistant	City Manager	119,269	57.34	108	6,193	5.19%
City Clerk	City Clerk	174,338	83.82	12	1,006	0.58%
Assistant City Clerk	City Clerk	105,204	50.58	12	607	0.58%
Administrative Services Director	Administrative Services	266,107	127.94	48	6,141	2.31%
Revenue Manger	Administrative Services	191,288	91.97	240	22,072	11.54%
Fiscal Services Manager	Administrative Services	158,258	76.09	48	3,652	2.31%
Budget Analyst	Administrative Services	113,234	54.44	48	2,613	2.31%
Accounting Supervisor	Administrative Services	147,459	70.89	48	3,403	2.31%
Accountant II	Administrative Services	119,716	57.56	48	2,763	2.31%
Account Clerk II (AP)	Administrative Services	68,095	32.74	12	393	0.58%
Account Clerk II (AR)	Administrative Services	50,802	24.42	12	293	0.58%
Payroll Technician	Administrative Services	92,210	44.33	12	532	0.58%
Information Technology Webmaster	Administrative Services	121,432	58.38	12	701	0.58%
Information Systems Assistant	Administrative Services	79,290	38.12	12	457	0.58%
Director	Community Development	218,733	105.16	240	25,238	11.54%
Deputy Director	Community Development	194,981	93.74	360	33,747	17.31%
Planning Manager	Community Development	180,336	86.70	120	10,404	5.77%
Analyst	Community Development	113,234	54.44	240	13,065	11.54%
HR Manager I	Human Resources	152,423	73.28	12	879	0.58%
Real Property Agent	Public Works - Engr.	143,363	68.92	168	11,579	8.08%
Total Direct Personnel Costs:					179,713	

Other Direct Costs

Attorney Fees	50,000
Consultant Fees	50,000
Audit Fees	4,400
Postage	50
Auto Expense	50
Office Supplies	966
Printing	500
Total Other Direct Costs:	105,966

Indirect Costs

(Applied at 1% or less of total costs)

Worker's Compensation Insurance	9,000
Liability Insurance	15,000
Facility Maintenance (Bldg and VOIP Phone)	13,000
Custodial	5,000
Facility Capital Repair	5,000
IT/Computer Allocations	10,000
Human Resources (non-payroll)	2,000
Total Indirect Costs:	59,000

Total Successor Agency Admin Allowance Cost: 344,679

Fullerton Successor Agency

Administrative Budget FY 2019-20

(July 1, 2019- June 30, 2020)

Type of Expense	2019-20	Source of Funds
Salaries and Overhead	233,042	RPTTF - Administrative Cost Allowance
Auto Expense/Mileage Reimbursement (6202)	50	RPTTF - Administrative Cost Allowance
Legal Services (6301)	12,000	RPTTF - Administrative Cost Allowance
Professional & Contractual Services (6319)	14,000	RPTTF - Administrative Cost Allowance
Supplies (6401)	1,200	RPTTF - Administrative Cost Allowance
Postage (6408)	100	RPTTF - Administrative Cost Allowance
Printing, Binding & Duplication (6443)	500	RPTTF - Administrative Cost Allowance
Fees and Charges (6717)	1,800	RPTTF - Administrative Cost Allowance
Miscellaneous (6719)	35	RPTTF - Administrative Cost Allowance
Facilities and VOIP Phone (6804)	5,310	RPTTF - Administrative Cost Allowance
Computer/IT Allocation (6809)	3,800	RPTTF - Administrative Cost Allowance
Total Admin:	271,837	



April 15, 2019

Ms. Ramona Castaneda, Revenue Manager
City of Fullerton
303 West Commonwealth Avenue
Fullerton, CA 92832

Dear Ms. Castaneda:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fullerton 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 Nos. 19 and 20 – City of Fullerton (City) and Agency Cooperation Agreements (Agreements) dated January 29, 2011 and June 7, 2011 with outstanding obligation amounts totaling \$15,500,000 (\$14,000,000 and \$1,500,000, respectively), are not allowed. Finance continues to deny these items. The Agency contends the Agreements committed the former Redevelopment Agency (RDA) to fund the related capital improvement projects.

However, HSC 34171 (d) (2) states agreements, contracts, or arrangements between the former RDA and the city that created the RDA are not enforceable unless issued within two years of the RDA creation date or for issuance of indebtedness to third-party investors or bondholders. Further, the Agency did not provide any new documentation during the ROPS 19-20 review. Therefore, these line items are not enforceable obligations and the total requested amount of \$3,500,000 (\$2,000,000 + \$1,500,000) is ineligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

- Item Nos. 23 and 28 – Affordable Housing Monitoring, Administration, and Reporting Contracts, outstanding obligation amounts totaling \$10,214,000 (\$9,954,000 and \$260,000, respectively) are not allowed. Finance continues to deny these items. HSC section 34176 requires “all rights, powers, duties, obligations, and housing assets...be transferred” to the new housing entity. Since the City Housing Division assumed the housing functions, this transfer of “duties and obligations” necessarily includes the transfer of administrative obligations. Further, the Agency did not provide any new documentation during the ROPS 19-20 review. Therefore, the total requested amount of \$380,000 (\$120,000 + \$260,000) is ineligible for RPTTF funding.
- Item No. 24 – Commercial Seismic and Rehab Loan Monitoring in the requested amount of \$12,000 has been reclassified from RPTTF to Administrative RPTTF. Although enforceable, the types of services requested are considered general and administrative in nature.

- Item No. 30 – Capital Improvement Projects, total outstanding obligation amount of \$95,000, is not allowed. Finance continues to deny this item for the following reasons:
 - The contract was entered into between the City and Griffin Structures; the former redevelopment agency (RDA) was not a party to the contract.
 - The cooperation agreement the RDA entered into with the City, dated January 29, 2011, which commits RDA funding to the City, was not enforceable pursuant to HSC 34171(d) (2), which states agreements, contracts, or arrangements between the former RDA and the city that created the RDA are not enforceable unless issued within two years of the RDA creation date or for issuance of indebtedness to third-party investors or bondholders.

Further, the Agency did not provide any new documentation during the ROPS 19-20 review. Therefore, this item is not an enforceable obligation and the requested amount of \$95,000 is ineligible for RPTTF funding.

- The Agency’s claimed administrative costs exceed the allowance by \$12,000. 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 \$271,837 for the fiscal year 2019-20. Although \$271,837 is claimed for the ACA, Item No. 24 is considered an administrative cost and should be counted toward the cap as explained above. Therefore, as noted in the table below, \$12,000 of excess ACA is not allowed:

Administrative Cost Allowance Calculation	
Actual RPTTF distributed for fiscal year 2018-19	\$ 9,401,300
Less distributed Administrative RPTTF	(340,083)
RPTTF distributed for 2018-19 after adjustment	<u>9,061,217</u>
ACA Cap for 2019-20 per HSC section 34171 (b)	271,837
ACA requested for 2019-20	271,837
Plus amount reclassified to ACA	12,000
Total ACA	<u>283,837</u>
ACA in Excess of Cap	<u>\$ (12,000)</u>

Further, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

- 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 \$120,389 from Other Funds 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. 4 – 2005 Tax Allocation Bonds, debt service payment in the amount of \$6,463,953 is partially reclassified from RPTTF to Other Funds. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$6,343,564 and the use of Other Funds in the amount of \$120,389, totaling \$6,463,953.

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.

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 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 \$11,761,122 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:

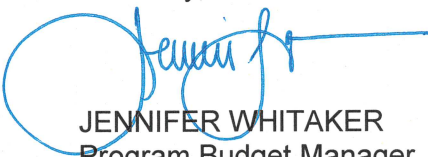
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

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 Veronica Zalvidea, Lead Analyst, at (916) 322-2985.

Sincerely,


JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Christine Pilapil, Project Manager, City of Fullerton
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	\$ 11,379,097	\$ 4,231,743	\$ 15,610,840
Administrative RPTTF Requested	135,919	135,918	271,837
Total RPTTF Requested	11,515,016	4,367,661	15,882,677
RPTTF Requested	11,379,097	4,231,743	15,610,840
<u>Adjustments</u>			
Item No. 4	(120,389)	0	(120,389)
Item No. 19	(1,000,000)	(1,000,000)	(2,000,000)
Item No. 20	(500,000)	(1,000,000)	(1,500,000)
Item No. 23	(60,000)	(60,000)	(120,000)
Item No. 24	(6,000)	(6,000)	(12,000)
Item No. 28	(130,000)	(130,000)	(260,000)
Item No. 30	(47,500)	(47,500)	(95,000)
	(1,863,889)	(2,243,500)	(4,107,389)
RPTTF Authorized	9,515,208	1,988,243	11,503,451
Administrative RPTTF Requested	135,919	135,918	271,837
<u>Adjustment</u>			
Item No. 24	6,000	6,000	12,000
Excess Administrative Costs	0	(12,000)	(12,000)
Administrative RPTTF Authorized	141,919	129,918	271,837
Total RPTTF Authorized for Obligations	9,657,127	2,118,161	11,775,288
Prior Period Adjustment	(14,166)	0	(14,166)
Total RPTTF Approved for Distribution	\$ 9,642,961	\$ 2,118,161	\$ 11,761,122



Transmitted via e-mail

April 7, 2020

Ramona Castaneda, Revenue Manager
City of Fullerton
303 West Commonwealth Avenue
Fullerton, CA 92832

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fullerton 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 30, 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 determinations:

- Item Nos. 23 and 28 – Affordable Housing Project Monitoring and Affordable Housing Administration and Reporting in the outstanding obligation amounts totaling \$10,094,000 (\$9,834,000 + \$260,000) are not allowed. Finance continues to deny these items. HSC section 34176 requires “all rights, powers, duties, obligations, and housing assets...be transferred” to the new housing entity. Since the City of Fullerton's Housing Division assumed the housing functions, this transfer of “duties and obligations” necessarily includes the transfer of administrative obligations. Therefore, the total requested amount of \$380,000 is ineligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- On the ROPS 20-21 form, the Agency reported cash balances and activity for the period July 1, 2017 through June 30, 2018 (ROPS 17-18). According to our review, the Agency has approximately \$160,120 from Other Funds available to fund enforceable obligations on the ROPS 20-21. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funds. Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 4 – 2005 Tax Allocation Bonds in the amount of \$7,064,648 is partially reclassified. Finance is approving RPTTF in the amount of \$6,904,528 and the use of Other Funds in the amount of \$160,120, totaling \$7,064,648.

- The claimed administrative costs exceed the allowance by \$11,574. 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 \$345,104 for fiscal year 2020-21.
 - Although \$344,678 is claimed for ACA, Item No. 24 in the amount of \$12,000 is considered an administrative cost and should be counted toward the cap. Therefore, as noted in the table below, \$11,574 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2019-20	\$11,761,122
Less distributed Administrative RPTTF	(257,671)
RPTTF distributed for 2019-20 after adjustments	\$11,503,451
ACA Cap for 2020-21 per HSC section 34171 (b)	\$345,104
ACA requested for 2020-21	344,678
Plus amount reclassified to ACA	12,000
Total ACA requested after adjustment	\$356,678
ACA in Excess of the Cap	\$(11,574)

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 amount of RPTTF authorized in the table includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$11,542,172, 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.

Please direct inquiries to Mindy Patterson, Supervisor, or Mark-Anthony Lacy, Staff, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Christine Pilapil, Project Manager, City of Fullerton
Israel M. Guevara, Administrative Manager, Property Tax Section, Orange County

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 9,931,659	\$ 1,855,367	\$ 11,787,026
Administrative RPTTF Requested	172,339	172,339	344,678
Total RPTTF Requested	10,103,998	2,027,706	12,131,704
RPTTF Requested	9,931,659	1,855,367	11,787,026
<u>Adjustments</u>			
Item No. 4	(160,120)	0	(160,120)
Item No. 23	(60,000)	(60,000)	(120,000)
Item No. 24	(6,000)	(6,000)	(12,000)
Item No. 28	(130,000)	(130,000)	(260,000)
	(356,120)	(196,000)	(552,120)
RPTTF Authorized	9,575,539	1,659,367	11,234,906
Administrative RPTTF Requested	172,339	172,339	344,678
<u>Adjustment</u>			
Item No. 24	6,000	6,000	12,000
Adjusted Administrative RPTTF	178,339	178,339	356,678
Excess Administrative Costs	0	(11,574)	(11,574)
Administrative RPTTF Authorized	178,339	166,765	345,104
ROPS 17-18 prior period adjustment (PPA)	(37,838)	0	(37,838)
Total RPTTF Approved for Distribution	\$ 9,716,040	\$ 1,826,132	\$ 11,542,172