

Orange Countywide Oversight Board

Agenda Item No, 15d

Date: 9/22/2020

From: Successor Agency to the Huntington Beach 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 Huntington Beach Successor Agency

The Huntington Beach Successor Agency requests a straw vote of the 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 Recognized Obligation Payment Schedule (ROPS).

Under ABX1 26 and AB 1484, the Huntington Beach Successor Agency has a fiduciary duty to the holders of enforceable obligations (such as bond holders and parties to existing enforceable contracts) to ensure that these obligations are met and taxing entities that benefit from distribution of property tax to ensure that proper amounts are passed through. After February 1, 2012, tax increment formerly collected by Redevelopment Agencies is held by the County Controller for distribution to pay off enforceable obligations of the former Redevelopment Agencies and passed through to special taxing entities such as school districts and other special districts.

The Successor Agency staff and Board have specific duties relating to the management of former Redevelopment Agency assets required under California Health and Public Safe Code Sections 34180 and 34181. The minimum administrative allowance of \$250,000 distributed to the Huntington Beach Successor Agency each year is used to offset a portion of the administrative costs associated with the wind-down of the Successor Agency.

Staff submits the annual ROPS, Prior Period Adjustment form, and other related reports and documentation to the County and State Department of Finance as required. The Huntington Beach's Recognized Obligation Payment Schedule ("ROPS") currently has over 20 outstanding enforceable obligations totaling over \$6.5 million, excluding the City-Agency loan amounts of over \$71.5 million and unfunded actuarial liabilities of over \$3.6 million. These obligations include bonds, loans, and property tax sharing agreements, among other items. The Successor Agency Administrative allowance is currently \$250,000, the minimum amount authorized per Health and Safety Code Section 34171(a)(2).

The current Successor Agency administrative budget includes personnel costs of \$204,217, direct contract costs of \$30,000, and indirect costs related to the management of the Successor Agency amounting to \$178,754. This results in a total FY 2021-22 Administrative Budget of \$412,971. Since the dissolution of the former Redevelopment Agency, staff have dedicated a significant number of hours managing and providing information for the ROPS, Housing Asset Transfer review, Long-Range Property Management Plan, and other projects associated with the wind down of the Successor Agency. The cost of these activities far exceed the \$250,000 minimum annual administrative allowance provided to the Agency.

Staff Contact(s)

Sunny Rief, Assistant Chief Financial Officer, sunny.rief@surfcity-hb.org

Ursula Luna-Reynosa, Community Development Director, ursula.luna-reynosa@surfcity-hb.org

Attachments

1. ROPS 21-22 Proposed Administrative Budget and Summary of Personnel Justification
2. ROPS 20-21 Administrative Budget and DOF Determination Letter
3. ROPS 19-20 Administrative Budget and DOF Determination Letter
4. ROPS 20-21 DOF Determination Letter
5. ROPS 19-20 DOF Determination Letter

**City of Huntington Beach
FY 2021/22
Administrative Allowance Budget**

		<u>Fiscal Year</u> <u>2021/2022</u>		<u>Successor</u>	<u>SA</u>	<u>% of Time</u>
		<u>Costs</u>	<u>Hourly Rate</u>	<u>Agency Hours</u>	<u>Administration</u>	<u>Spent on SA</u> <u>Issues</u>
<i>Direct Personnel Costs</i>	<i>Department</i>					
City Manager/Executive Director	City Manager	\$ 326,061	\$ 156.76	21	\$ 3,261	1.00%
Assistant City Manager	City Manager	330,517	158.90	21	3,305	1.00%
City Council/Successor Agency Board Members	City Council	94,786	45.57	4	190	0.20%
City Clerk/Board Clerk	City Clerk	224,863	108.11	4	450	0.20%
Deputy City Clerk	City Clerk	135,742	65.26	4	271	0.20%
City Treasurer	Finance	111,790	53.75	104	5,590	5.00%
Chief Financial Officer	Finance	312,146	150.07	104	15,607	5.00%
Assistant Chief Financial Officer	Finance	234,770	112.87	312	35,215	15.00%
Finance Manager Treasury	Finance	218,030	104.82	104	10,902	5.00%
Finance Manager Accounting	Finance	212,805	102.31	180	18,416	8.65%
Principal Finance Analyst	Finance	192,379	92.49	208	19,238	10.00%
Senior Accountant	Finance	158,725	76.31	168	12,820	8.08%
Accounting Technician II	Finance	112,611	54.14	21	1,126	1.00%
Senior Payroll Technician	Finance	116,251	55.89	36	2,012	1.73%
Community Development Director	Community Development	249,791	120.09	146	17,485	7.00%
Deputy Director of Community Development	Community Development	232,170	111.62	208	23,217	10.00%
Economic Development Project Manager	Economic Development	184,995	88.94	180	16,009	8.65%
Real Estate Project Manager	Economic Development	191,027	91.84	208	19,103	10.00%
	Total Direct Personnel Costs				204,217	
<i>Other Direct Costs</i>						
Professional Services						
Economic Analysis - Kane Ballmer & Berkman					30,000	
	Total Other Direct Cost				30,000	
<i>Indirect Costs (applied at .5% of total cost)</i>						
General Liability Insurance		4,887,622			24,438	
Workers Compensation Insurance		7,153,578			35,768	
Facilities Maintenance and Utilities		7,339,576			36,698	
Computer Maintenance		1,786,368			8,932	
General and Office Supplies		2,288,503			11,443	
Legal - City Attorney		2,921,219			14,606	
Human Resources		1,746,599			8,733	
Information Services		7,627,351			38,137	
	Total Indirect Cost				178,754	
					\$ 412,971	
	Total Successor Agency Admin Allowance Cost				\$ 412,971	
	Total Successor Agency FY 2021/22 Proposed Admin Budget				\$ 250,000	

**City of Huntington Beach
FY 2021/22
Administrative Allowance
Personnel Justification**

Position	Department	Summary of Job Duties Pertaining to Successor Agency	Total
City Manager/Executive Director Total City Manager/Executive Director	City Manager	General oversight of the entire dissolution process. Attends Successor Agency (SA), Oversight Board (OB) Meetings and Meet and Confer meetings as well as numerous staff meetings regarding the winding down of the Successor Agency.	<u>21</u> 21
Assistant City Manager Total Assistant City Manager	City Manager	General oversight of the entire dissolution process. Attends Successor Agency (SA), Oversight Board (OB) Meetings and Meet and Confer meetings as well as numerous staff meetings regarding the winding down of the Successor Agency.	<u>21</u> 21
City Council/Successor Agency Board Members (7 Members) tal City Council/Successor Agency Board Members	City Council	Attendance at Successor Agency Meeting, reviewing of all related materials, signing necessary Resolutions and other documents.	<u>4</u> 4
City Clerk/Board Clerk Total City Clerk/Board Clerk	City Clerk	Preparation, distribution and attendance of Successor Agency Meetings, certifying and filing all documents (ROPS, etc.), management of 700 Forms and processing all Successor Agency public records requests.	<u>4</u> 4
Deputy City Clerk Total Deputy City Clerk	City Clerk	Preparation, distribution and attendance of Successor Agency Meetings, certifying and filing all documents (ROPS, etc.), management of 700 Forms and processing all Successor Agency public records requests.	<u>4</u> 4
City Treasurer Total City Treasurer	Finance	Review daily cash in bank account on a daily basis and prepare report for review by Treasury Manager and Chief Financial Officer, Process/Review/Approve wire transfers, Monthly Treasurer's reporting, attendance at meetings.	<u>104</u> 104
Chief Financial Officer Total Chief Financial Officer	Finance	Review Annual ROPS, review and approve all bond payments and wire transfers, review and approve CAFR, annual budget, and attend Successor Agency meetings as required.	<u>104</u> 104
Assistant Chief Financial Officer Total Assistant Chief Financial Officer	Finance	Review Annual ROPS, review and approve all bond payments and wire transfers, review and approve CAFR, annual budget, and attend Successor Agency meetings as required.	<u>312</u> 312
Finance Manager Treasury Total Finance Manager Treasury	Finance	Review daily cash in bank account on a daily basis and prepare report for review by Treasury Manager and Chief Financial Officer, Process/Review/Approve wire transfers, Monthly Treasurer's reporting, attendance at meetings.	<u>104</u> 104
Finance Manager Accounting Total Finance Manager Accounting	Finance	Review and approve all journal entries for monthly close, review and approve monthly bank reconciliation, review payroll entries, review payroll entries in general ledger, create and maintain chart of accounts for Successor Agency, and review Successor Agency information in the annual CAFR.	<u>180</u> 180
Principal Finance Analyst Total Principal Finance Analyst	Finance	Review of the two bond statements and journal entries, analytical review of all monthly financial transactions, review and approve monthly bank reconciliation, update two bond spreadsheets, create and review Property Tax Sharing Agreements, prepare Successor Agency documents for annual audit; prepare wire transfers, prepare the annual ROPS, participate in Successor Agency meetings as required.	<u>208</u> 208
Senior Accountant Total Senior Accountant	Finance	Prepare and process journal entries for monthly close, preparation of monthly bank reconciliation.	<u>168</u> 168

City of Huntington Beach
FY 2021/22
Administrative Allowance
Personnel Justification

<i>Position</i>	<i>Department</i>	<i>Summary of Job Duties Pertaining to Successor Agency</i>	<i>Total</i>
Accounting Technician II	Finance	Review coding, process invoices, prepare checks, and review check registers for the City, including those directly related to SA.	<u>21</u>
Total Accounting Technician II			21
Senior Payroll Technician	Finance	Process timesheets for all City employees performing duties directly related to SA; process paychecks and review payroll reports for accuracy.	<u>36</u>
Total Senior Payroll Technician			36
Community Development Director	Community Development	Oversees all Successor Agency operations, from day to day questions to ROPS development.	<u>146</u>
Total Community Development Director			146
Deputy Director of Community Development	Community Development	Oversees all Successor Agency operations, from day to day questions to ROPS development.	<u>208</u>
Total Deputy Director of Community Development			208
Economic Development Project Manager	Economic Development	Assists in the oversight and the winding down of Successor Agency actions, projects and agreements. Process and manage purchase orders and contracts	<u>180</u>
Total Economic Development Project Manager			180
Real Estate Project Manager	Economic Development	Clear titles and other issues related to the former Redevelopment Project area. Assists with property tax sharing agreements.	<u>208</u>
Total Real Estate Project Manager			208
		Total Hours	2,032

**Successor Agency
Administrative Budget
Department Budget Summary
Other Funds by Object Account**

OTHER FUNDS

Expenditure Object Account	ROPS 20-21 Budget
RORF Administration (350)	
PERSONAL SERVICES	
Salaries/Benefits - Permanent	219,000
PERSONAL SERVICES 219,000	
OPERATING EXPENSES	
Other Professional Services/Operating	31,000
OPERATING EXPENSES 31,000	
Total	250,000
Revenue Summary	
Administrative Allowance	250,000
Total	250,000

Significant Changes

Pursuant to AB x126 and AB 1484, the Successor Agency receives RPTTF funding from the County Auditor-Controller to pay Enforceable Obligations. The Successor Agency also receives a 3% of actual distributed RPTTF in the preceding fiscal year, or a minimum of \$250,000 for administration of the winding down of the former Redevelopment Agency per fiscal year. Administrative costs associated with the "wind down" and dissolution of the Redevelopment Agency that exceed the administrative cost allowance will be funded by Other Funds, pursuant to State rules. Administrative expenses include: personnel costs, legal, and other professional services expenses associated with the dissolution and administration of the Successor Agency.

**Successor Agency
Administrative Budget
Department Budget Summary
Other Funds by Object Account**

OTHER FUNDS

Expenditure Object Account	ROPS 19-20 Budget
RORF Administration (350)	
PERSONAL SERVICES	
Salaries/Benefits - Permanent	225,000
PERSONAL SERVICES 225,000	
OPERATING EXPENSES	
Legal Services	
Other Professional Services/Operating	25,000
OPERATING EXPENSES 25,000	
Total	250,000
Revenue Summary	
ROPS 19-20 Budget	
Administrative Allowance	250,000
Other Funds	-
Total	250,000

Significant Changes

Pursuant to AB x126 and AB 1484, the Successor Agency receives RPTTF funding from the County Auditor-Controller to pay Enforceable Obligations. The Successor Agency also receives a 3% of actual distributed RPTTF in the preceding fiscal year, or a minimum of \$250,000 for administration of the winding down of the former Redevelopment Agency per fiscal year. Administrative costs associated with the "wind down" and dissolution of the Redevelopment Agency that exceed the administrative cost allowance will be funded by Other Funds, pursuant to State rules. Administrative expenses include: personnel costs, legal, and other professional services expenses associated with the dissolution and administration of the Successor Agency.



Transmitted via e-mail

April 9, 2020

Dahle Bulosan, Interim Chief Financial Officer
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Huntington Beach 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 28, 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:

- 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 \$36,705 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 Redevelopment Property Tax Trust Fund (RPTTF) funds. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amounts specified below:
 - Item No. 2 – Hyatt Regency Huntington Beach Project in the amount of \$708,468 is partially reclassified. The Agency requested \$667,880 in RPTTF funding, \$17,006 in Reserve Balances, and \$23,582 in Other Funds. Finance is approving RPTTF in the amount of \$631,175 (\$667,880 - \$36,705), the use of Reserve Balances in the amount of \$17,006, and Other Funds in the amount of \$60,287 (\$23,582 + \$36,705), totaling \$708,468.

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 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 \$5,152,462, 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 item 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.

Dahle Bulosan
April 9, 2020
Page 3

Please direct inquiries to Anna Kyumba, Supervisor, or Satveer Ark, Staff, at (916) 322-2985.

Sincerely,


JENNIFER WHITAKER
Program Budget Manager

cc: Ursula Luna-Reynosa, Director of Community Development, City of Huntington Beach
Israel M. Guevara., Administrative Manager, Property Tax Section, Orange County

Attachment

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 2,400,464	\$ 3,762,327	\$ 6,162,791
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	2,525,464	3,887,327	6,412,791
RPTTF Requested	2,400,464	3,762,327	6,162,791
<u>Adjustment</u>			
Item No. 2	(36,705)	0	(36,705)
RPTTF Authorized	2,363,759	3,762,327	6,126,086
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 17-18 prior period adjustment (PPA)	(1,223,624)	0	(1,223,624)
Total RPTTF Approved for Distribution	\$ 1,265,135	\$ 3,887,327	\$ 5,152,462



April 11, 2019

Ms. Lori Ann Farrell, Director of Finance
City of Huntington Beach
2000 Main Street
Huntington Beach, CA 92648

Dear Ms. Farrell:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Huntington Beach 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 February 1, 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. 105 and 106 – Unfunded Employee Pension and Retirement Obligations, outstanding obligation amounts totaling \$3,655,295, are not allowed. The Agency previously requested funding as Item Nos. 23, 24, and 26, and as Item Nos. 90 and 91; no funding is requested for these duplicated items on the current ROPS. Finance continues to deny these items. Finance originally denied these items as the agreement entered into on March 17, 2008 with respect to these obligations is between the California Public Employees' Retirement System (CalPERS) and the City Council of the City of Huntington Beach (City Council). The Agency did not provide any other documentation to support the items as enforceable during this period.

Absent a contract or agreement, the Agency's responsibility for payment of these obligations is not legally enforceable. Because the only agreement provided to Finance is between the City Council and CalPERS, the Agency's request for payment of these obligations is not allowed. Therefore, these items are not enforceable obligations and requested amounts of \$138,054 from Other Funds and \$233,712 from Redevelopment Property Tax Trust Fund (RPTTF) funding, totaling \$371,766, are not allowed as specified below:

Item No.	Project / Obligation Name	Total Outstanding	RPTTF Requested	Other Funds Requested
105	Unfunded Pension Liabilities	\$3,438,056	\$138,054	\$138,054
106	Unfunded Retirement Liabilities	217,239	95,658	0
	Total	\$3,655,295	\$233,712	\$138,054

- Item Nos. 107 through 118 – Loan payments to the City of Huntington Beach (City), outstanding obligation amounts totaling \$71,556,290, are not allowed. Finance continues to deny these items. The Agency previously requested funding for these as Item Nos. 32, 41 through 44, 46 through 49, 79 through 89, and 93 through 104; no funding is requested for these duplicate items on the current ROPS. Finance previously denied these items for the following reasons:
 - Oversight Board (OB) Resolution Nos. 2017-03 through 2017-14, inclusive, finding loans made by the City to the former Redevelopment Agency (RDA) in the amounts of \$55,395,638 as enforceable obligations and finding the loans were for legitimate redevelopment purposes, were denied in our determination letter dated March 10, 2017.
 - The Agency was unable to provide documentation supporting these items as loans pursuant to HSC section 34191.4 (b). Specifically, the Agency was unable to support the outstanding principal balance of the loans and it was not clear whether the loans were monetary loans or a transfer of interest in real property.
 - The Agency was unable to substantiate the periodic amounts loaned by the City as well as the amounts periodically repaid by the Agency to the City.
 - OB Resolution Nos. 2017-15 through 2017-26, finding that loans made by the City to the former RDA were for legitimate redevelopment purposes and approving the loans as enforceable obligations and the schedule for repayment of said loans, in accordance with HSC section 34191.4 (b), were denied in our determination letter dated May 17, 2017.

The Agency did not provide any new documentation during ROPS 19-20. Therefore, these items are not enforceable obligations and the requested amounts totaling \$7,646,815 are not allowed as specified below:

Item No.	Project Name/ Debt Obligation	RPTTF Amount Requested
107	Land Sale Emerald Cove	\$ 606,608
108	Emerald Cove 2010 Series A Lease Revenue Refunding Bonds	390,038
109	Huntington Center Redevelopment Plan Development	200,948
110	Main-Pier Redevelopment Project Phase II	241,080
111	Development of Downtown Main-Pier Project Area	179,426
112	Third Block West Commercial/Residential Project	1,025,834
113	Second Block Alley and Street Improvement Project	16,932
114	Strand Project	6,268
115	Pierside Hotel/Retail/Parking Structure Project	27,320
116	Waterfront Commercial Master Site Plan	4,082,201
117	Strand Project	839,896
118	Operative Agreement for the Huntington Beach Redevelopment Project	30,264
Total		\$7,646,815

- 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 \$853,460 from Reserve Balances available to fund enforceable obligations on the ROPS 19-20, and an additional \$138,054 from Other Funds now available from Item No. 105, totaling \$991,514. 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. 3 – 2002 Tax Allocation Refunding Bonds, debt service payment in the amount of \$1,615,000 has been partially reclassified. This item does not require payment from property tax revenues. Therefore, Finance is approving RPTTF in the amount of \$623,486, the use of Reserve Balances in the amount of \$853,460, and the use of Other Funds in the amount of \$138,054, totaling \$1,615,000.
- Finance notes the Agency has listed several item numbers several times on the ROPS. Pursuant to HSC section 34177 (m) (1), the Agency is required to complete the ROPS in a manner provided by Finance. ROPS Instructions state that Agencies must maintain the existing line item numbers and should only create a new line item for a new obligation that was not on a prior ROPS. Future ROPS not completed in a manner provided by Finance may be rejected in its entirety and returned to the OB for reconsideration. The Agency should make an effort to identify and retire all duplicated line items from the ROPS.

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

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,543,050 as summarized in the Approved RPTTF Distribution table on Page 5 (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 Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Kellee Fritzal, Deputy Director of Economic Development, City of Huntington Beach
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	\$ 7,335,920	\$ 7,853,182	\$ 15,189,102
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	7,460,920	7,978,182	15,439,102
RPTTF Requested	7,335,920	7,853,182	15,189,102
<u>Adjustments</u>			
Item No. 3	(991,514)	0	(991,514)
Item No. 105	0	(138,054)	(138,054)
Item No. 106	(47,829)	(47,829)	(95,658)
Item No. 107	(303,304)	(303,304)	(606,608)
Item No. 108	(195,019)	(195,019)	(390,038)
Item No. 109	(100,474)	(100,474)	(200,948)
Item No. 110	(120,540)	(120,540)	(241,080)
Item No. 111	(89,713)	(89,713)	(179,426)
Item No. 112	(512,917)	(512,917)	(1,025,834)
Item No. 113	(8,466)	(8,466)	(16,932)
Item No. 114	(3,134)	(3,134)	(6,268)
Item No. 115	(13,660)	(13,660)	(27,320)
Item No. 116	(2,041,100)	(2,041,101)	(4,082,201)
Item No. 117	(419,948)	(419,948)	(839,896)
Item No. 118	(15,132)	(15,132)	(30,264)
	(4,862,750)	(4,009,291)	(8,872,041)
RPTTF Authorized	2,473,170	3,843,891	6,317,061
Administrative RPTTF Authorized	125,000	125,000	250,000
Total RPTTF Authorized for Obligations	2,598,170	3,968,891	6,567,061
Prior Period Adjustment	(24,011)	0	(24,011)
Total RPTTF Approved for Distribution	\$ 2,574,159	\$ 3,968,891	\$ 6,543,050