

## Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency:

Hawthorne

County:

Los Angeles

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
<b>A Enforceable Obligations Funded as Follows (B+C+D):</b>	<b>\$ 2,019,075</b>	<b>\$ -</b>	<b>\$ 2,019,075</b>
B Bond Proceeds	-	-	-
C Reserve Balance	2,019,075	-	2,019,075
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):</b>	<b>\$ 3,879,771</b>	<b>\$ 3,944,734</b>	<b>\$ 7,824,505</b>
F RPTTF	3,754,771	3,819,734	7,574,505
G Administrative RPTTF	125,000	125,000	250,000
<b>H Current Period Enforceable Obligations (A+E):</b>	<b>\$ 5,898,846</b>	<b>\$ 3,944,734</b>	<b>\$ 9,843,580</b>

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





## Hawthorne Recognized Obligation Payment Schedule (ROPS 18-19) - Notes July 1, 2018 through June 30, 2019

Item #	Notes/Comments
8	Item 8 has historically reported the tax increment rebate payments for Oceangate Properties. For the 18-19 ROPS, the titles of items 8 & 35 were adjusted to reflect the specific rebate that each item represents.
35	<p>Item 35 has historically reported the sales tax rebate payments for Oceangate Properties, despite being titled "Oceangate Properties Tax Increment Rebates Payments." For the 18-19 ROPS, the titles of items 8 &amp; 35 were adjusted to reflect the specific rebate that each item represents. Sales taxes for specific retailers, on which this payment is based, are difficult to predict. The requested amount for this item is based on sales tax projections.</p> <p>The Oceangate Commercial center is comprised of Parcels numbers 1 to 6. The rebate for Parcel 1 is based on sales taxes from that parcel above a certain threshold. The threshold increases by 1% per year and was \$631,022 in 2016. Sales taxes grew by an annual average of about 9% from 2013 to 2015. RSG projected a 2018 rebate amount of \$606,534, to be paid in 18-19B, by applying this annual growth to the 2016 sales tax amount of \$1,059,177 and subtracting the expected 2018 threshold of \$643,706.</p> <p>The rebate for Parcels 2-6 is based on 25% of the sum of sales taxes from those parcels. Rebates are split to cover either quarters 1 and 2 or quarters 3 and 4 of each year. During the last five years, quarter 1 and 2 sales taxes grew by as much as 8.8% year over year, while quarter 3 and 4 sales taxes grew by as much as 7.1% year over year. RSG projected a 2018 rebate amount of \$388,044, to be paid in ROPS 18-19B, by applying each of these growth rates to the most recent known sales tax figures, for 2016 Q3 and Q4 and for 2017 Q1 and Q2.</p> <p>RSG then summed the sales tax rebates for Parcel 1 and for Parcels 2-6 and added a 10% buffer in case actual sales taxes exceed these projections.</p>
36, 38	The Successor Agency requests a reserve in ROPS 18-19B for the 7/1/2019 payment in accordance with the 2016 Bonds' Official Statement and Indenture.
40	The Oversight Board approved a repayment schedule for this housing loan on August 31, 2017. The Department of Finance ("Finance") denied the item on October 17, 2017. The Oversight Board is taking up the matter again in its meeting on January 23, 2018. Payment for this item is requested with the expectation that the item will be approved by Finance.
41	The total outstanding loan balance consists of a principal balance of \$19,574,855 and an accrued interest balance of \$11,214,365. Interest is based on accruals at an annual 3% rate applied quarterly to the remaining principal amount of the loan that was previously unpaid after the original effective date of the loan, going back to Fiscal Year 1976-77, per HSC Section 34191.4 (b).