



Transmitted via e-mail

April 7, 2020

Eric Wier, City Manager  
Crescent City  
377 J Street  
Crescent City, CA 95531

### **2020-21 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Crescent City 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 24, 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:

- Item Nos. 1 and 5 – Water Fund Loan and Supplemental Educational Revenue Augmentation Fund (SERAF) 2010 Repayment in the amount of \$47,072 and \$35,100, respectively is partially allowed. HSC section 34191.4 (b) (3) (A) allows this repayment to be equal to one-half of the increase between the ROPS residual pass-through distributed to the taxing entities in the preceding fiscal year and the ROPS residual pass-through distributed to the taxing entities in the fiscal year 2012-13 base year. According to the Del Norte County Auditor-Controller's (CAC) report, the amounts distributed to the taxing entities for fiscal year 2012-13 and 2019-20 are \$414,239 and \$447,031, respectively. Therefore, pursuant to the repayment formula, the maximum repayment amount authorized for the ROPS 20-21 period is \$16,396. Therefore, the requested amounts for the following items have been adjusted as follows:
  - Item No. 1 – Water Fund Loan in the requested \$47,072 is not allowed. The Agency requested the entire maximum allowable repayment amount of \$16,396 to be applied toward Item No. 5. Therefore, the requested \$47,072 is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
  - Item No. 5 – SERAF 2010 Repayment in the requested \$35,100 is partially allowed. Pursuant to the repayment formula, only \$16,396 is eligible for funding; therefore, \$18,704 (\$35,100 - \$16,396) is not eligible for RPTTF funding.

The Agency may be eligible for additional funding on a subsequent ROPS.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2017 through June 30, 2018 (ROPS 17-18) period. Reported differences in RPTTF are used to offset current RPTTF distributions. The CAC did not provide its review of the Agency's prior period adjustment (PPA) for the ROPS 17-18 period as required by HSC section 34186. However, pursuant to Finance's letter dated March 24, 2017, the Agency was not authorized to receive RPTTF for the ROPS 17-18 period. Therefore, there is no PPA to offset the ROPS 20-21 RPTTF distribution.

The Agency's maximum approved RPTTF distribution for the reporting period is \$21,396, 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/](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.

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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 Anna Kyumba, Supervisor, or Daisy Rose, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Linda Leaver, Finance Director, Crescent City  
Clinton Schaad, Auditor-Controller, Del Norte County

**Attachment**

<b>Approved RPTTF Distribution July 2020 through June 2021</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>ROPS 20-21 Total</b>
RPTTF Requested	\$ 82,172	\$ 0	\$ 82,172
Administrative RPTTF Requested	2,500	2,500	5,000
<b>Total RPTTF Requested</b>	<b>84,672</b>	<b>2,500</b>	<b>87,172</b>
<b>RPTTF Requested</b>	<b>82,172</b>	<b>0</b>	<b>82,172</b>
<u>Adjustments</u>			
Item No. 1	(47,072)	0	(47,072)
Item No. 5	(18,704)	0	(18,704)
	(65,776)	0	(65,776)
<b>RPTTF Authorized</b>	<b>16,396</b>	<b>0</b>	<b>16,396</b>
<b>Administrative RPTTF Authorized</b>	<b>2,500</b>	<b>2,500</b>	<b>5,000</b>
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 18,896</b>	<b>\$ 2,500</b>	<b>\$ 21,396</b>