



Transmitted via e-mail

April 14, 2020

Albert Avila, Finance Director  
City of Oakdale  
280 North Third Avenue  
Oakdale, CA 95361

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

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Oakdale 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 27, 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 No. 12 – City Loans in the total outstanding amount of \$185,302 is not allowed. The Agency is requesting funding for City loans under its administrative cost allowance; however, it did not provide documentation to support the requested amount. Further, City loans are considered enforceable obligations only if the loans have been approved by the Agency's Oversight Board and Finance. Once approved, the loans may be placed on the ROPS and requests for funding should be from Redevelopment Property Tax Trust Fund (RPTTF), and not from the administrative cost allowance. Therefore, this item is not an enforceable obligation and the requested amount of \$185,302 is not allowed from Administrative RPTTF. To the extent the Agency receives the proper approvals for these City loans, requests for funding can be placed on a future ROPS for consideration.
- 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 \$315,947 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. 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 amount specified below:
  - Item No. 23 – 2018 Tax Allocation Revenue Bonds - Series A in the amount of \$496,538 is partially reclassified. Finance is approving RPTTF in the amount of \$180,591 and the use of Other Funds in the amount of \$315,947, totaling \$496,538.

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 approved includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency. Total authorized RPTTF is insufficient to allow the entire PPA to be applied this ROPS period, resulting in an excess PPA that should be applied prior to requesting RPTTF on future ROPS.

The Agency's maximum approved RPTTF distribution for the reporting period is \$0, 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.

Albert Avila  
April 14, 2020  
Page 3

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 Joshua Mortimer, Supervisor, or Cole Chev, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Bryan Whitemyer, City Manager, City of Oakdale  
Kashmir Gill, Auditor-Controller, Stanislaus County

<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	\$ 277,256	\$ 277,256	\$ 554,512
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>402,256</b>	<b>402,256</b>	<b>804,512</b>
<b>RPTTF Requested</b>	<b>277,256</b>	<b>277,256</b>	<b>554,512</b>
<u>Adjustment(s)</u>			
Item No. 23	(248,269)	(67,678)	(315,947)
<b>RPTTF Authorized</b>	<b>28,987</b>	<b>209,578</b>	<b>238,565</b>
<b>Administrative RPTTF Requested</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
<u>Adjustment(s)</u>			
Item No. 12	(92,651)	(92,651)	(185,302)
<b>Adjusted Administrative RPTTF</b>	<b>32,349</b>	<b>32,349</b>	<b>64,698</b>
<b>Administrative RPTTF Authorized</b>	<b>32,349</b>	<b>32,349</b>	<b>64,698</b>
ROPS 17-18 prior period adjustment (PPA)	(402,256)	(234,685)	(636,941)
Excess PPA	340,920	(7,242)	333,678
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>