



Transmitted via e-mail

April 14, 2020

Ken Zuidervaart, Planning Director  
City of Ripon  
259 North Wilma Avenue  
Ripon, CA 95366

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

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

- Item No. 3 – 2007 Tax Allocation Bonds in the amount of \$1,244,448 is partially reclassified from Bond Proceeds to Reserve Balances. For the July 1, 2019 through June 30, 2020 (ROPS 19-20) period, the Agency was approved for \$200,000 in Redevelopment Property Tax Trust Fund (RPTTF) funds to be held in reserve and used for debt service payments during the July 1, 2020 through December 31, 2020 period (ROPS A period); however, the Agency inadvertently requested \$200,000 in Bond Proceeds. Therefore, Finance is approving RPTTF in the amount of \$1,044,448 and Reserve Balance funding in the amount of \$200,000, totaling \$1,244,448 for the ROPS 20-21 period.
- Item Nos. 20-23 – Tax Allocation Bond Administrative Fees totaling \$900. The Agency is requesting \$900 RPTTF for bond administrative fees related to Item Nos. 4-6 due to the differences between requested and actual amounts during ROPS 17-18 and ROPS 18-19 periods. However, the Agency created Item Nos. 20-23 for the requested amounts. In order to maintain consistency of line items, the requested amounts have been moved to line Item Nos. 4-6 and Item Nos. 20-23 have been retired. Refer to the table on the following page for additional detail.

Item No.	Item Name	Requested	Adjusted	Authorized
4	2003 Tax Allocation Bond Administrative Fees	\$3,025	\$350	\$3,375
5	2005 Tax Allocation Bond Administrative Fees	3,025	\$275	3,300
6	2007 Tax Allocation Bond Administrative Fees	3,025	\$275	3,300
	<b>Total</b>	\$9,075	\$900	\$9,975

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, 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.

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 \$2,215,702, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the 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/](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 Joshua Mortimer, Supervisor, or Veronica Zalvidea, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Kevin Werner, City Administrator, City of Ripon  
Jay Wilverding, Auditor-Controller, San Joaquin 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	\$ 1,272,855	\$ 697,016	\$ 1,969,871
Administrative RPTTF Requested	0	250,000	250,000
<b>Total RPTTF Requested</b>	<b>1,272,855</b>	<b>947,016</b>	<b>2,219,871</b>
<b>RPTTF Authorized</b>	<b>1,272,855</b>	<b>697,016</b>	<b>1,969,871</b>
<b>Administrative RPTTF Authorized</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>
ROPS 17-18 prior period adjustment (PPA)	(4,169)	0	(4,169)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 1,268,686</b>	<b>\$ 947,016</b>	<b>\$ 2,215,702</b>