



Transmitted via e-mail

March 4, 2024

Carrie Wright, Director of Economic Development
City of Stockton
400 East Main Street, 4th Floor
Stockton, CA 95202

Last and Final Recognized Obligation Payment Schedule Determination

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of Stockton Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on January 29, 2024. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make amendments or changes to the Last and Final ROPS if the changes are agreed to in writing by the Agency. The Agency has agreed in writing to the following changes made by Finance to the Agency's Last and Final ROPS:

- Item No. 59 – Total claimed administration costs in the amount of \$335,000 have been adjusted by \$25,000 to \$310,000. Based on our review, the Agency's Last and Final ROPS contains funding requests for \$25,000 of Administrative Cost Allowance (ACA) for the July 1, 2037 through June 30, 2038 (ROPS 37-38) period; however, since the Agency's final obligation will be paid in the July 1, 2036 through June 30, 2037 period, there will be no need for administration cost funding for the ROPS 37-38 period. Therefore, and with the Agency's concurrence, Finance adjusted the ACA for the entire Last and Final ROPS to the amount of \$310,000.
- Item No. 70 – 2016 Tax Allocation Bonds in the total requested amount of \$85,059,638 is partially reclassified. According to our review of cash balances and activities for the period July 2021 through June 30, 2022, the Agency has approximately \$1,746,445 in Other Funds available to fund enforceable obligations on the Last and Final ROPS.

HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF) funding. This item does not require payment from property tax revenues. Therefore, with the Agency's concurrence, the funding source for this item has been reclassified. Finance is approving RPTTF in the amount of \$4,075,205 and the use of Other Funds in the amount of \$1,746,445, totaling \$5,821,650 for the January 1, 2024 through June 30, 2025 (ROPS 24-25) period.

Finance is approving the Agency's Last and Final ROPS with the above amendments and changes. These changes are reflected in the approved Last and Final ROPS.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$95,982,831, as summarized in the Approved RPTTF Distribution table (see Attachment).

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/Programs/Redevelopment/ROPS/>

Any agreed-upon amendments or changes are reflected in the approved Last and Final ROPS posted on the above website.

This is Finance's determination related to the enforceable obligations reported on the Last and Final ROPS. HSC section 34191.6 (c) (2) allows agencies to submit no more than two requests to amend the approved Last and Final ROPS.

ROPS distributions will occur twice annually, one distribution for the July 1 through December 31 (ROPS A period), and one distribution for the January 1 through June 30 (ROPS B period). The Agency will receive RPTTF distributions up to the maximum approved amount on the Last and Final ROPS.

The Agency shall not expend more than the amount approved for each enforceable obligation listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted to the County Auditor-Controller (CAC) pursuant to HSC section 34191.6 (c) (3). Pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed, the Agency is required to dispose all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

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 statutes. Therefore, as a practical matter, the ability to fund the items on the Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

HSC section 34187 (b) defines the process of final dissolution of the Agency. When all enforceable obligations have been retired or paid off, all real property has been disposed, and all outstanding litigation has been resolved, the Agency shall, within 30 days of meeting these conditions, submit to the Oversight Board (OB) a request to formally dissolve. The OB shall approve the request within 30 days and submit the request for Finance's review.

Finance approved the Agency's annual ROPS 23-24 on April 4, 2023. Therefore, the Agency's most recent annual ROPS 23-24 approvals will remain effective through June 30, 2024, and funding approved through the Last and Final ROPS will commence with the ROPS 24-25 period.

Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Original signed by:

Cheryl L. McCormick, CPA
Chief, Office of State Audits and Evaluations

cc: Jacque Crisostomo, Administrative Analyst, City of Stockton
Jeffery Woltkamp, Assistant Auditor-Controller, San Joaquin County
Rachel DeBord, Countywide Oversight Board Representative

Attachment

Approved Last and Final ROPS RPTTF Distributions							
	A Periods			B Periods			
ROPS Period	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	Annual Total
Total requested	0	335,000	335,000	97,419,276	0	97,419,276	\$ 97,754,276
Total adjustments	0	(25,000)	(25,000)	(1,746,445)	0	(1,746,445)	(1,771,445)
Totals	0	310,000	310,000	95,672,831	0	95,672,831	95,982,831
Total RPTTF approved for distribution							
ROPS 24-25	0	10,000	10,000	5,746,855	0	5,746,855	5,756,855
ROPS 25-26	0	25,000	25,000	7,495,800	0	7,495,800	7,520,800
ROPS 26-27	0	25,000	25,000	7,492,800	0	7,492,800	7,517,800
ROPS 27-28	0	25,000	25,000	7,494,050	0	7,494,050	7,519,050
ROPS 28-29	0	25,000	25,000	7,493,800	0	7,493,800	7,518,800
ROPS 29-30	0	25,000	25,000	7,496,550	0	7,496,550	7,521,550
ROPS 30-31	0	25,000	25,000	7,496,550	0	7,496,550	7,521,550
ROPS 31-32	0	25,000	25,000	7,488,300	0	7,488,300	7,513,300
ROPS 32-33	0	25,000	25,000	7,493,250	0	7,493,250	7,518,250
ROPS 33-34	0	25,000	25,000	7,492,500	0	7,492,500	7,517,500
ROPS 34-35	0	25,000	25,000	7,491,750	0	7,491,750	7,516,750
ROPS 35-36	0	25,000	25,000	7,496,250	0	7,496,250	7,521,250
ROPS 36-37	0	25,000	25,000	7,494,376	0	7,494,376	7,519,376
ROPS 37-38	0	0	0	0	0	0	0
Total	0	310,000	310,000	95,672,831	0	95,672,831	\$ 95,982,831