



Transmitted via e-mail

October 24, 2025

Leslie Fritzsche, Economic Investment Manager
Sacramento City
915 I Street
Sacramento, CA 95814

Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the Sacramento City Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2026 through June 30, 2026 (Amended ROPS 25-26B), to the California Department of Finance (Finance) on September 30, 2025. Finance has completed its review of the Amended ROPS 25-26B.

Based on our review and application of the law, Finance makes the following determination:

- Item No. 385 – Property Disposition costs for the requested adjustment of \$466,920 in Redevelopment Property Tax Trust Fund (RPTTF) is not allowed. It is our understanding that \$466,920 is requested for environmental assessments and clean-up costs for remediation purposes on the property located at 1022-1030 Del Paso Boulevard. In our letter dated April 11, 2025, we denied these costs, and the Agency has not provided support that the site remediation costs are required by an enforceable obligation; therefore, we continue to deny these site remediation costs. Pursuant to HSC section 34177.3 (b), except as required by an enforceable obligation, the work of winding down the redevelopment agency does not include planning, design, redesign, development, demolition, alteration, construction, site remediation, site development or improvement, land clearance, and other similar work. In addition, properties approved for sale on the Agency's Long-Range Property Management Plan are to be sold as is. Therefore, funding is limited to the previously authorized amount of \$48,950 for the ROPS 25-26 period.

Except for the adjustments denied in whole or in part, Finance does not object to the remaining adjustments listed on your Amended ROPS 25-26B.

Since Finance did not approve any RPTTF adjustments, the Agency's maximum approved RPTTF distribution for the ROPS 25-26B period remains at \$20,210,546, as summarized in the Approved RPTTF Distribution table (see Attachment).

Please refer to the Amended ROPS 25-26B schedule used to calculate the total RPTTF approved for distribution:

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

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 25-26B. Please note there is not a Meet and Confer option for the Amended ROPS process; therefore, Finance's determination is final. This determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to Finance's review and may be denied, even if it was not denied on this Amended 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 statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

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

Sincerely,

Original signed by:

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

cc: Emily Hsia, Supervising Financial Analyst, Sacramento City
Chad Rinde, Finance Director, Sacramento County
Wendy Hartman, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution January 2026 through June 2026	
Authorized RPTTF on ROPS 25-26B	\$ 19,804,924
Authorized Administrative RPTTF on ROPS 25-26B	405,622
Total Authorized RPTTF on ROPS 25-26B	20,210,546
Total Requested 25-26B RPTTF Adjustments	466,920
Finance RPTTF Adjustments	
Item No. 385	(466,920)
Total Authorized 25-26B RPTTF Adjustments	0
Total Amended ROPS 25-26B RPTTF Approved for Distribution	\$ 20,210,546