



Transmitted via e-mail

March 28, 2025

Kim McKinney, Administrative Services Director
City of Woodland
300 First Street
Woodland, CA 95695

2025-26 Annual Recognized Obligation Payment Schedule

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

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item Nos. 10 and 11 – California Public Employees' Retirement System Liability and Other Post Employee Benefits Obligation in the total outstanding amount of \$497,988 (\$416,416 Item No. 10 + \$81,572 Item No. 11), are not allowed. Finance continues to deny these items as the previously submitted documentation is insufficient. Therefore, these items are not enforceable obligations and the requested amount of \$497,988 in Redevelopment Property Tax Trust Fund (RPTTF) funding is not allowed.
- The claimed administrative costs exceed the allowance by \$40,000. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$0 for fiscal year 2025-26.

Although \$40,000 is claimed for ACA, \$0 is available pursuant to the cap. Therefore, as noted in the table below, \$40,000 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2024-25	\$0
ACA Cap for 2025-26 per HSC section 34171 (b)	0
ACA requested for 2025-26 after adjustments	40,000
ACA in Excess of the Cap	(\$40,000)

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, 2022 through June 30, 2023 (ROPS 22-23) period. The ROPS 22-23 prior period adjustment (PPA) will offset the ROPS 25-26 RPTTF distribution. The County Auditor-Controller did not provide its review of the Agency's prior period adjustments for the ROPS 22-23 period as required by HSC section 34186. On the ROPS 25-26 form, the Agency reported cash balances and activities for ROPS 22-23. Therefore, Finance reviewed the ROPS 22-23 expenditures. The amount of RPTTF approved includes the PPA self-reported by the Agency and reviewed by Finance.

The Agency's maximum approved RPTTF distribution for the reporting period is \$505,168, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2025 through December 31, 2025 period (ROPS A period), and one distribution for the January 1, 2026 through June 30, 2026 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 25-26 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 adjusted items, Finance approves the remaining items listed on the ROPS 25-26 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 25-26, 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 from the date of this letter. The Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 25-26. This determination only applies to items when funding was requested for the 12-month period. If a determination by Finance in a previous ROPS is currently the subject of litigation, the item will continue to reflect the determination until the matter is resolved.

The ROPS 25-26 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 25-26 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 adjusted even if not adjusted 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 RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Original signed by:

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

cc: Karie Farnham, Management Analyst II, City of Woodland
Tom Haynes, Chief Financial Officer/Countywide Oversight Board
Representative, Yolo County

Attachment

Approved RPTTF Distribution July 2025 through June 2026			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 670,664	\$ 333,637	\$ 1,004,301
Administrative RPTTF Requested	20,000	20,000	40,000
Total RPTTF Requested	690,664	353,637	1,044,301
RPTTF Requested	670,664	333,637	1,004,301
<u>Adjustment(s)</u>			
Item No. 10	(416,416)	0	(416,416)
Item No. 11	0	(81,572)	(81,572)
	(416,416)	(81,572)	(497,988)
RPTTF Authorized	254,248	252,065	506,313
Administrative RPTTF Requested	20,000	20,000	40,000
Excess Administrative Costs	(20,000)	(20,000)	(40,000)
Administrative RPTTF Authorized	0	0	0
ROPS 22-23 Prior Period Adjustment (PPA)	(1,145)	0	(1,145)
Total RPTTF Approved for Distribution	\$ 253,103	\$ 252,065	\$ 505,168