



Transmitted via e-mail

March 24, 2023

Romuldo J. Medina, City Manager
City of Calipatria
125 North Park Avenue
Calipatria, CA 92233

2023-24 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Calipatria Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 30, 2023. Finance has completed its review of the ROPS 23-24.

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

- Item No. 11 – Successor Agency Administrative Cost Allowance in the amount of \$50,894 (\$23,001 requested from Administrative Redevelopment Property Tax Trust Fund (Administrative RPTTF) and \$27,893 requested from Reserve Balances. The Agency requested \$27,893 from Reserve Balances in error. Therefore, with the Agency's concurrence, Reserve Balances in the amount of \$27,893 has been reclassified to Administrative RPTTF, for a total of \$50,894 in Administrative RPTTF funding approved.
- Item No. 20 – 2020 Refunding Tax Allocation Bonds in the amount of \$92,014. The Agency requested \$92,014 from Reserve Balances in error. Therefore, with the Agency's concurrence, Reserve Balances in the amount of \$92,014 has been reclassified to Redevelopment Property Tax Trust Fund (RPTTF), for a total of \$92,014 in RPTTF funding approved.
- 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 July 1, 2020 through June 30, 2021 (ROPS 20-21) period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 RPTTF distribution. The amount of RPTTF authorized includes the 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 \$26,501, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 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 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, 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 23-24. 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 23-24 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 23-24 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.

Romuldo J. Medina
March 24, 2023
Page 3

The amount available from the RPTF 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 RPTF.

Please direct inquiries to Joshua Mortimer, Supervisor, or Brian Dunham, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Ivonne Ramirez, Property Tax Manager, Imperial County
Karina Alvarez, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 0	\$ 3,500	\$ 3,500
Administrative RPTTF Requested	23,001	0	23,001
Total RPTTF Requested	23,001	3,500	26,501
RPTTF Requested	0	3,500	3,500
<u>Adjustment(s)</u>			
Item No. 20	46,007	46,007	92,014
RPTTF Authorized	46,007	49,507	95,514
Administrative RPTTF Requested	23,001	0	23,001
<u>Adjustment(s)</u>			
Item No. 11	27,893	0	27,893
Adjusted Administrative RPTTF	50,894	0	50,894
Administrative RPTTF Authorized	50,894	0	50,894
ROPS 20-21 Prior Period Adjustment (PPA)	(96,901)	(23,006)	(119,907)
Total RPTTF Approved for Distribution	\$ 0	\$ 26,501	\$ 26,501