



Transmitted via e-mail

April 14, 2023

Nita Wracker, Finance Director  
City of Lincoln  
600 6th Street  
Lincoln, CA 95648

**2023-24 Annual Recognized Obligation Payment Schedule**

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

- The claimed administrative costs exceed the allowance by \$10,331. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual Redevelopment Property Tax Trust Fund (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 \$44,669 for fiscal year 2023-24. Although \$55,000 is claimed for ACA, only \$44,669 is available pursuant to the cap. Therefore, as noted in the table below, \$10,331 in excess ACA is not allowed:

<b>Administrative Cost Allowance (ACA) Calculation</b>	
Actual RPTTF distributed for fiscal year 2022-23	\$993,838
Less distributed Administrative RPTTF	(59,500)
Less sponsoring entity loan repayments	(845,000)
<b>RPTTF distributed for 2022-23 after adjustments</b>	<b>\$89,338</b>
ACA Cap for 2023-24 per HSC section 34171 (b)	\$44,669
ACA requested for 2023-24 after adjustments	55,000
<b>Total ACA</b>	<b>\$44,669</b>
<b>ACA in Excess of the Cap</b>	<b>(\$10,331)</b>

- On the ROPS 23-24 form, the Agency reported cash balances and activity for the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. According to our review, the Placer County Auditor-Controller (CAC) distributed \$852,213 of RPTTF in excess of what was authorized for the ROPS 20-21A period. The excess distribution was offset by a \$80,505 RPTTF shortfall in the ROPS 20-21B period. Additionally, the CAC applied an incorrect ROPS 18-19 prior period adjustment (PPA) in the amount of \$352,500, causing the ROPS 21-22 distribution to be underfunded. As a result, the Agency has \$419,208 (\$852,213 - \$80,505 - \$352,500) remaining from the excess distribution. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. The item below does not require payment from property tax revenues; therefore, the funding source for the following item has been reclassified in the amount specified below.
  - Item No. 12 – 2016 Tax Allocation Bonds A/B in the amount of \$963,681 is partially reclassified. Finance is approving RPTTF in the amount of \$544,473 and the use of Reserve Balances in the amount of \$419,208, totaling \$963,681.

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 20-21 period. The ROPS 20-21 PPA will offset the ROPS 23-24 RPTTF distribution. The CAC's review of the PPA form resulted in no PPA.

The Agency's maximum approved RPTTF distribution for the reporting period is \$901,138, 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/](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.

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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.

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 Todd Vermillion, Supervisor, or Praney Nand, Staff, at (916) 322-2985.

Sincerely,

Original signed by Marilyn Standing Horse for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Stephanie Beauchaine, Consultant, City of Lincoln  
Roxanne Nored, Managing Accountant Auditor, Placer County  
Andrew Sisk, Countywide Oversight Board Representative

<b>Approved RPTTF Distribution July 2023 through June 2024</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 894,403	\$ 381,274	\$ 1,275,677
Administrative RPTTF Requested	27,500	27,500	55,000
<b>Total RPTTF Requested</b>	<b>921,903</b>	<b>408,774</b>	<b>1,330,677</b>
<b>RPTTF Requested</b>	<b>894,403</b>	<b>381,274</b>	<b>1,275,677</b>
<u>Adjustment(s)</u>			
Item No. 12	(419,208)	0	(419,208)
<b>RPTTF Authorized</b>	<b>475,195</b>	<b>381,274</b>	<b>856,469</b>
<b>Administrative RPTTF Requested</b>	<b>27,500</b>	<b>27,500</b>	<b>55,000</b>
Excess Administrative Costs	(0)	(10,331)	(10,331)
<b>Administrative RPTTF Authorized</b>	<b>27,500</b>	<b>17,169</b>	<b>44,669</b>
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 502,695</b>	<b>\$ 398,443</b>	<b>\$ 901,138</b>