



Transmitted via e-mail

May 17, 2023

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

2023-24 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 14, 2023. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Lincoln Successor Agency (Agency) submitted an annual ROPS for the period of July 1, 2023 through June 30, 2024 (ROPS 23-24) to Finance on February 1, 2023. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 24, 2023.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed:

- Item No. 12 – 2016 Tax Allocation Bonds A/B in the amount of \$963,681. Finance no longer partially reclassifies the amount of \$419,208 to Reserve Balances. During the Meet and Confer review, the Agency explained that due to accounting errors it made over multiple years, there were no funds remaining to reclassify. The Agency clarified the current request for the Redevelopment Property Tax Trust Fund (RPTTF) is for costs during ROPS 23-24. Therefore, the \$963,681 in RPTTF funding is approved.
- Finance maintains its previous determination that 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 the 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 \$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:

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

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 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 \$1,320,346, 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.

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.

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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 Joshua Mortimer, Supervisor, or Michael Barr, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick 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

Attachment

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 894,403	\$ 381,274	\$ 1,275,677
Administrative RPTTF Requested	27,500	27,500	55,000
Total RPTTF Requested	921,903	408,774	1,330,677
RPTTF Authorized	894,403	381,274	1,275,677
Administrative RPTTF Requested	27,500	27,500	55,000
Excess Administrative Costs	(0)	(10,331)	(10,331)
Administrative RPTTF Authorized	27,500	17,169	44,669
Total RPTTF Approved for Distribution	\$ 921,903	\$ 398,443	\$ 1,320,346