



Transmitted via e-mail

April 5, 2024

Joe Fasula, Senior Accounting Manager
Sacramento County
700 H Street, Room 3650
Sacramento, CA 95814

2024-25 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Sacramento County Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025 (ROPS 24-25) to the California Department of Finance (Finance) on January 18, 2024. Finance has completed its review of the ROPS 24-25.

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

- Item No. 99 – Highlands Rental Subsidy in the requested amount of \$296,000 is partially allowed. It is our understanding the remaining balance required by the Subsidy Agreement is \$92,000. Therefore, with concurrence from the Agency, Finance approves the remaining balance of \$92,000, and the excess \$204,000 (\$296,000 - \$92,000) is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item Nos. 133, 135, 139, and 144 – 2003 Series A Bonds, 2003 Series B Bonds, 2008 Series B Bonds, and CIEDB Loan Agreement debt service reserves. The Agency inadvertently requested the incorrect amounts from RPTTF. According to the debt service schedules provided by the Agency, the amounts requested for the January 1, 2025 through June 30, 2025 period (ROPS B period) should have totaled \$3,895,109 instead of the requested \$3,303,784. Therefore, to accurately reflect the correct debt service payments, Finance made the following adjustments:

Item No.	Item Name	Requested	Adjustment	Approved
133	2003 Series A Bonds	\$1,356,851	\$28,990	\$1,385,841
135	2003 Series B Bonds	474,285	9,515	483,800
139	2008 Series B Bonds	1,472,648	36,061	1,508,709
144	CIEDB Loan Agreement	0	516,759	516,759
	Totals	\$3,303,784	\$591,325	\$3,895,109

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, 2021 through June 30, 2022 (ROPS 21-22) period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 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, as adjusted by Finance. Specifically, for Item No. 31 – 2010 Mather Advance, Finance increased the available amount by \$34,447, which increased the PPA from \$295,489 to \$329,936. In addition, for Item Nos. 2, 6, 12, 14, and 24 – various bond payments, the Agency inadvertently forgot to enter the payments made from Reserve Balances. Therefore, Finance increased the total amount spent for Reserve Balances from \$0 to \$4,188,127.

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,461,640, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2024 through December 31, 2024 period (ROPS A period), and one distribution for the ROPS B period, based on Finance's approved amounts. Since this determination is for the entire ROPS 24-25 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 24-25 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 24-25, 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 24-25. 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 24-25 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 24-25 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.

Joe Fasula
April 5, 2024
Page 3

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: Camille Siores, Accountant, Sacramento County
Chad Rinde, Finance Director, Sacramento County
Wendy Hartman, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2024 through June 2025			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 427,859	\$ 5,783,400	\$ 6,211,259
Administrative RPTTF Requested	96,496	96,496	192,992
Total RPTTF Requested	524,355	5,879,896	6,404,251
RPTTF Requested	427,859	5,783,400	6,211,259
<u>Adjustment(s)</u>			
Item No. 99	(56,000)	(148,000)	(204,000)
Item No. 133	0	28,990	28,990
Item No. 135	0	9,515	9,515
Item No. 139	0	36,061	36,061
Item No. 144	0	516,759	516,759
	(56,000)	443,325	387,325
RPTTF Authorized	371,859	6,226,725	6,598,584
Administrative RPTTF Authorized	96,496	96,496	192,992
ROPS 21-22 prior period adjustment (PPA)	(329,936)	0	(329,936)
Total RPTTF Approved for Distribution	\$ 138,419	\$ 6,323,221	\$ 6,461,640