



Transmitted via e-mail

April 12, 2024

Fernando Santillan, Executive Director
City of Selma
1710 Tucker Street
Selma, CA 93662

2024-25 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Selma 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 February 1, 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. 1 – 2010A Tax Allocation Bond Debt Service item in the amount of \$401,213 has been partially reclassified from Redevelopment Property Tax Trust Fund (RPTTF) to Bond Proceeds. The Agency has cash in its bond reserve account in the amount of \$360,010 which must be used to satisfy the final debt service payment. Therefore, with the Agency's concurrence, Finance approves \$360,010 in Bond Proceeds and \$41,203 in RPTTF totaling \$401,213.
- Item No. 6 – 21-22 Prior Period Adjustment (PPA) Error Correction in the amount of \$6,875 is not allowed. The Agency is requesting \$6,875 in RPTTF to recoup funding from an understated expenditure within the Prior Period Adjustment (PPA) form. However, the PPA form and resulting amount has been adjusted (see next bullet below) to address the understated expenditure, effectively negating the need for Item No. 6. Therefore, the requested amount of \$6,875 from RPTTF is not allowed.

- 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 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, Finance adjusted actual expenditures reported in connection with Item No. 3. The Agency provided support demonstrating it fully expended the authorized and available RPTTF for the 1994 Housing Bond debt service payment of \$71,775. After adjusting the expenditure amount from the reported \$64,900 to \$71,775, the PPA amount was reduced by \$6,875 from \$109,051 to \$102,176.

The Agency's maximum approved RPTTF distribution for the reporting period is \$222,027, 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 January 1, 2025 through June 30, 2025 period (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.

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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 RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Original signed by:

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

cc: Josh Giosa, Consultant, City of Selma
Kirana Bawana, Accounting and Financial Manager, Fresno County
Ganna Monastyrsky, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2024 through June 2025			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 558,213	\$ 57,875	\$ 616,088
Administrative RPTTF Requested	37,500	37,500	75,000
Total RPTTF Requested	595,713	95,375	691,088
RPTTF Requested	558,213	57,875	616,088
<u>Adjustment(s)</u>			
Item No. 1	(360,010)	0	(360,010)
Item No. 6	(6,875)	0	(6,875)
	(366,885)	0	(366,885)
RPTTF Authorized	191,328	57,875	249,203
Administrative RPTTF Authorized	37,500	37,500	75,000
ROPS 21-22 prior period adjustment (PPA)	(102,176)	0	(102,176)
Total RPTTF Approved for Distribution	\$ 126,652	\$ 95,375	\$ 222,027