



Transmitted via e-mail

March 22, 2024

Patricia Rodriguez, Assistant Finance Manager  
City of Watsonville  
250 Main Street  
Watsonville, CA 95076

### **2024-25 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Watsonville 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 31, 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 determination:

- Item No. 36 – 2016A Bond debt service is partially adjusted. The Agency requested \$71,100 from the Redevelopment Property Tax Trust Fund (RPTTF) for the January 1, 2025 through June 30, 2025 period (ROPS B period) in error. According to the debt service schedule provided by the Agency, the amount requested should be \$53,475. Therefore, to accurately reflect the correct debt service payment, Finance adjusts the amount by \$17,625, decreasing the requested amount from \$71,100 to \$53,475.

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 County Auditor-Controller's review of the PPA form submitted by the Agency resulted in no PPA.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,114,857, 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 item, 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/](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.

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](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

Original signed by:

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

cc: Marissa Duran, Administrative Service Director, City of Watsonville  
Edith Driscoll, Auditor-Controller Treasurer Tax Collector, Santa Cruz County  
Kim Namba, Countywide Oversight Board Representative

<b>Approved RPTTF Distribution July 2024 through June 2025</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 992,390	\$ 77,600	\$ 1,069,990
Administrative RPTTF Requested	31,246	31,246	62,492
<b>Total RPTTF Requested</b>	<b>1,023,636</b>	<b>108,846</b>	<b>1,132,482</b>
<b>RPTTF Requested</b>	<b>992,390</b>	<b>77,600</b>	<b>1,069,990</b>
<u>Adjustment(s)</u>			
Item No. 36	0	(17,625)	(17,625)
<b>RPTTF Authorized</b>	<b>992,390</b>	<b>59,975</b>	<b>1,052,365</b>
<b>Administrative RPTTF Authorized</b>	<b>31,246</b>	<b>31,246</b>	<b>62,492</b>
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 1,023,636</b>	<b>\$ 91,221</b>	<b>\$ 1,114,857</b>