



March 7, 2019

Mr. Randy Uyeda, Finance Director
City of Fowler
128 South 5th Street
Fowler, CA 93625

Dear Mr. Uyeda:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fowler Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 31, 2019. Finance has completed its review of the ROPS 19-20.

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

- Item No. 2 – Fowler Public Financing Authority Redevelopment Agency Loan, total requested amount of \$90,700. Although the total requested amount equals the annual amount necessary to make the debt service payments, Finance adjusted the amounts requested for each ROPS period to ensure the Agency will have sufficient funding to make the required debt service payment in the period required.

The Agency requested \$72,560 in Redevelopment Property Tax Trust Fund (RPTTF) funding for the payment due September 2019 and \$18,140 for the payment due March 2020; however, the Agency would be required to pay \$75,800 in September 2019 and \$14,900 in March 2020. Therefore, with the Agency's occurrence, Finance increased the RPTTF requested for September 2019 by \$3,240, from \$72,560 to \$75,800 and decreased the RPTTF requested for March 2020 by \$3,240, from \$18,140 to \$14,900.

- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (OB) has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The County Auditor Controller's review of the prior period adjustment form submitted by the Agency resulted in no prior period adjustment.

Except for the item adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items that are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. 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%20And%20Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$134,250 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

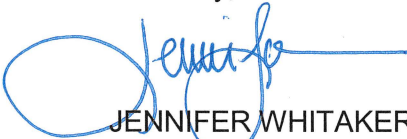
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied 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 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 Nichelle Jackson, Supervisor, or Alexander Watt, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Jeannie Davis, City Manager, City of Fowler
Mr. Mario Cabrera, Accounting and Financial Manager, Fresno County

Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 72,560	\$ 18,140	\$ 90,700
Administrative RPTTF Requested	21,775	21,775	43,550
Total RPTTF Requested	94,335	39,915	134,250
RPTTF Requested	72,560	18,140	90,700
<u>Adjustment</u>			
Item No. 2	3,240	(3,240)	0
RPTTF Authorized	75,800	14,900	90,700
Administrative RPTTF Authorized	21,775	21,775	43,550
Total RPTTF Authorized for Obligations	97,575	36,675	134,250
Prior Period Adjustment	0	0	0
Total RPTTF Approved for Distribution	\$ 97,575	\$ 36,675	\$ 134,250