



Transmitted via e-mail

April 14, 2020

Gaylynn Brien, Finance Director
City of Fillmore
250 Central Avenue
Fillmore, CA 93015

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Fillmore Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on February 4, 2020. Finance has completed its review of the ROPS 20-21.

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

- Item No. 43 – Contract for Trustee and Fiscal Agent Fees is partially approved. The Agency has requested \$3,500; however, prior invoices only support the amount of \$3,000. Therefore, with the Agency's concurrence, the requested \$3,500 in Redevelopment Property Tax Trust Fund (RPTTF) funding has been reduced by \$500.
- On the ROPS 20-21 form, the Agency reported cash balances and activity for the period July 1, 2017 through June 30, 2018 (ROPS 17-18). According to our review, the Agency has approximately \$31,422 from Reserve Balances available to fund enforceable obligations on the ROPS 20-21. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funds. This item does not require payment from property tax revenues; therefore, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 40 – 2015 Tax Allocation Refunding Bonds in the amount of \$1,431,500 is partially reclassified. Finance is approving RPTTF in the amount of \$1,400,078 and the use of Reserve Balances in the amount of \$31,422, totaling \$1,431,500.
- The claimed administrative costs exceed the allowance by \$3,062. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of 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 \$250,000 for fiscal year 2020-21. Although \$223,062 is claimed, Item No. 45 in the requested amount of \$30,000 is considered an administrative cost and should be counted toward the cap. Therefore, as noted in the table on the following page, \$3,062 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2019-20	\$3,858,487
Less distributed Administrative RPTTF	(250,000)
RPTTF distributed for 2019-20 after adjustments	\$3,608,487
ACA Cap for 2020-21 per HSC section 34171 (b)	\$250,000
ACA requested for 2020-21	223,062
Plus amount reclassified to ACA	30,000
Total ACA requested for 2020-21	\$253,062
ACA in Excess of the Cap	\$(3,062)

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 17-18 period. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (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 \$3,884,348, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 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 items adjusted, Finance is not objecting to the remaining items listed on the ROPS 20-21. If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, 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 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/

The Agency must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. 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 deemed denied until the matter is resolved.

The ROPS 20-21 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 20-21 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 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 Mindy Patterson, Supervisor, or Zuber Tejani, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: David Rowlands, City Manager, City of Fillmore
Michelle Yamaguchi, Chief Deputy Director, Ventura County

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 736,750	\$ 2,960,135	\$ 3,696,885
Administrative RPTTF Requested	111,531	111,531	223,062
Total RPTTF Requested	848,281	3,071,666	3,919,947
RPTTF Requested	736,750	2,960,135	3,696,885
<u>Adjustments</u>			
Item No. 40	(31,422)	0	(31,422)
Item No. 43	0	(500)	(500)
Item No. 45	(15,000)	(15,000)	(30,000)
	(46,422)	(15,500)	(61,922)
RPTTF Authorized	690,328	2,944,635	3,634,963
Administrative RPTTF Requested	111,531	111,531	223,062
<u>Adjustment</u>			
Item No. 45	15,000	15,000	30,000
Adjusted Administrative RPTTF	126,531	126,531	253,062
Excess Administrative Costs	0	(3,062)	(3,062)
Administrative RPTTF Authorized	126,531	123,469	250,000
ROPS 17-18 prior period adjustment (PPA)	(615)	0	(615)
Total RPTTF Approved for Distribution	\$ 816,244	\$ 3,068,104	\$ 3,884,348