



Transmitted via e-mail

May 15, 2020

Jack Castro, Finance Director  
City of Huron  
36311 South Lassen Avenue  
Huron, CA 93234

### **2020-21 Annual Recognized Obligation Payment Schedule**

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 14, 2020. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Huron Successor Agency (Agency) submitted an annual ROPS for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to Finance on January 24, 2020. The Agency requested a Meet and Confer on one of the determinations made by Finance. The Meet and Confer was held on April 27, 2020.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determination being disputed:

Item No. 16 – 2019 Refunding Tax Allocation Bonds in the total requested amount of \$261,772 from Redevelopment Property Tax Trust Fund (RPTTF). Finance no longer denies this item. Finance previously denied a portion of the amount requested because it included \$3,172 RPTTF shortfall from the July 1, 2019 through December 31, 2020 (ROPS 19-20A) distribution. However, the Fresno County Auditor-Controller (CAC) distribution report only supported a shortfall of \$1,868 for that period. Therefore, Finance determined \$1,304 (\$3,172 - \$1,868) was not eligible for RPTTF funding.

During the Meet and Confer, the Agency clarified the request for \$3,172 RPTTF was not a result of the ROPS 19-20A RPTTF distribution shortfall, but rather represented a lack of funding due to a bond refunding that occurred during ROPS 19-20. The Agency provided documentation to support its clarification and, as a result, Finance approves the entire amount as requested on the ROPS totaling \$261,772 in RPTTF funding.

In addition, per Finance's letter dated April 14, 2020, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- Item No. 17 – Unfunded RPTTF ROPS 15-16A in the amount of \$8,915. It is our understanding the Agency requested \$8,915 RPTTF in error. Therefore, with the Agency's concurrence, \$8,915 requested has been adjusted to \$0.

- 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 (prior period adjustments) for the July 1, 2017 through June 30, 2018 (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 CAC's review of the PPA form submitted by the Agency.

The Agency's maximum approved RPTTF distribution for the reporting period is \$279,523, 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.

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.

Jack Castro  
May 15, 2020  
Page 3

Please direct inquiries to Joshua Mortimer, Supervisor, or Carla Villa, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Balvina Caldera, Office Manager, City of Huron  
Mario Cabrera, Accounting and Financial Manager, Fresno County

<b>Approved RPTTF Distribution July 2020 through June 2021</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>ROPS 20-21 Total</b>
RPTTF Requested	\$ 78,637	\$ 196,550	\$ 275,187
Administrative RPTTF Requested	40,000	40,000	80,000
<b>Total RPTTF Requested</b>	<b>118,637</b>	<b>236,550</b>	<b>355,187</b>
<b>RPTTF Requested</b>	<b>78,637</b>	<b>196,550</b>	<b>275,187</b>
<u>Adjustment(s)</u>			
Item No. 17	(8,915)	0	(8,915)
<b>RPTTF Authorized</b>	<b>69,722</b>	<b>196,550</b>	<b>266,272</b>
<b>Administrative RPTTF Authorized</b>	<b>40,000</b>	<b>40,000</b>	<b>80,000</b>
ROPS 17-18 prior period adjustment (PPA)	(66,749)	0	(66,749)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 42,973</b>	<b>\$ 236,550</b>	<b>\$ 279,523</b>