



Transmitted via e-mail

May 17, 2021

Romuldo J. Medina, City Manager
City of Calipatria
125 North Park Avenue
Calipatria, CA 92233

2021-22 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated March 30, 2021. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Calipatria Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2021 through June 30, 2022 (ROPS 21-22) to Finance on January 26, 2021. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 13, 2021.

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 determinations being disputed:

- The Agency is disputing the calculation of the prior period adjustment (PPA) in the amount of \$40,080. Pursuant to HSC section 34186, successor agencies were required to report differences between actual payments and past estimated obligations (prior period adjustments) for the July 1, 2018 through June 30, 2019 (ROPS 18-19) period. The ROPS 18-19 PPA will offset the ROPS 21-22 Redevelopment Property Tax Trust Fund (RPTTF) distribution. The amount of RPTTF authorized in our March 30, 2021 determination letter included the PPA resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

The Agency contends the ROPS 18-19 PPA of \$40,080 was in error as the Agency retained \$40,000 as a reserve balance and had already applied it to Item Nos. 16, 17, and 18 – 1993, 1995, and 1998 Tax Allocation Bonds, respectively, during the July 1, 2019 through December 30, 2019 period. Based on the review of additional information provided, Finance concurs with the Agency. Therefore, the ROPS 18-19 PPA in the reported amount of \$40,080 has been reduced to \$80.

In addition, per Finance's letter dated March 30, 2021, we continue to make the following determination on the next page, not contested by the Agency during the Meet and Confer review:

- 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.

The Agency's maximum approved RPTTF distribution for the reporting period is \$238,001, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 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 21-22. 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 21-22 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 21-22 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.

Romuldo J. Medina
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Please direct inquiries to Todd Vermillion, Supervisor, or Mathew Rios, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Rosa Ramirez, Finance Director, City of Calipatria
Ivonne Ramirez, Property Tax Manager, Imperial County

Attachment

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 46,007	\$ 49,507	\$ 95,514
Administrative RPTTF Requested	71,284	71,283	142,567
Total RPTTF Requested	117,291	120,790	238,081
RPTTF Authorized	46,007	49,507	95,514
Administrative RPTTF Authorized	71,284	71,283	142,567
ROPS 18-19 prior period adjustment (PPA)	(80)	0	(80)
Total RPTTF Approved for Distribution	\$ 117,211	\$ 120,790	\$ 238,001

ICC: Rios, Vermillion, Takagi-Galamba, McAllister, McCormick, Whitaker

Final Path: J:\Audits and Review\ROPS 21-22 Letters PDF

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