



Transmitted via e-mail

March 8, 2024

Donna Apar, Finance Director
City of San Marcos
1 Civic Center Drive
San Marcos, CA 92069

2024-25 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of San Marcos 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 25, 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:

- On the ROPS 24-25 form, the Agency reported cash balances and activity for the period July 1, 2021 through June 30, 2022 (ROPS 21-22). According to our review, the Agency has approximately \$171,857 from Other Funds available to fund enforceable obligations on the ROPS 24-25. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting Redevelopment Property Tax Trust Fund (RPTTF) funding. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 140 – Tax Allocation Refunding Bonds, Series 2015A in the amount of \$6,859,250 is partially reclassified. Finance approves RPTTF in the amount of \$6,687,393 and the use of Other Funds in the amount of \$171,857, totaling \$6,859,250.

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 21-22 period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 RPTTF distribution. The amount of RPTTF authorized includes the 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 \$21,625,527, 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 January 1, 2025 through June 30, 2025 period (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/

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.

Donna Apar
March 8, 2024
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Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Cheryl L. McCormick". The signature is fluid and cursive, with the first name "Cheryl" and last name "McCormick" clearly legible.

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

cc: Jeffrey Jorgenson, Senior Accountant, City of San Marcos
Becky Greene, Acting Manager, San Diego County
Ardee Apostol, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution July 2024 through June 2025			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 10,891,243	\$ 10,879,394	\$ 21,770,637
Administrative RPTTF Requested	122,480	122,480	244,960
Total RPTTF Requested	11,013,723	11,001,874	22,015,597
RPTTF Requested	10,891,243	10,879,394	21,770,637
<u>Adjustment(s)</u>			
Item No. 140	(171,857)	0	(171,857)
RPTTF Authorized	10,719,386	10,879,394	21,598,780
Administrative RPTTF Authorized	122,480	122,480	244,960
ROPS 21-22 prior period adjustment (PPA)	(218,213)	0	(218,213)
Total RPTTF Approved for Distribution	\$ 10,623,653	\$ 11,001,874	\$ 21,625,527