



Transmitted via e-mail

April 7, 2023

Keith C. Metzler, Executive Director
City of Victor Valley
14343 Civic Drive
Victorville, CA 92392

2023-24 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Victor Valley Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 27, 2023. Finance has completed its review of the ROPS 23-24.

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

- Item No. 23 – Adelanto-Victorville Cooperative Agreement for Street Improvements in the total outstanding amount of \$1,555,298 is not allowed. OB Resolution No. 2023-15, approving a Cooperation Agreement (Agreement) between the City of Victorville and the City of Adelanto as an enforceable obligation and finding the Agreement was for legitimate redevelopment purposes, was denied in our letter dated March 6, 2023. HSC section 34171 (d) (1) (E) states that the definition of an enforceable obligation includes any legally binding and enforceable agreement or contract. While the Agreement appears to obligate the Adelanto Successor Agency to reimburse the Victorville Successor Agency for project costs, the Agency is not a party to the Agreement. Therefore, the Agreement is not the responsibility of the Agency, and the requested amount of \$1,555,298 is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.

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, 2020 through June 30, 2021 (ROPS 20-21) period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 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 \$21,674,372, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 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 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, 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 23-24. 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 23-24 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 23-24 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.

Keith C. Metzler
April 7, 2023
Page 3

Please direct inquiries to Todd Vermillion, Supervisor, or Dylan Newton, Staff, at (916) 322-2985.

Sincerely,

A handwritten signature in blue ink that reads "Cheryl K. McCormick".

 JENNIFER WHITAKER
Program Budget Manager

cc: Sydnie Harris, Director of Finance of the Town of Apple Valley, Treasurer of Victor Valley Economic Development Agency, City of Victor Valley
Franz Zyss, Interim Chief Deputy, Property Tax Division/Countywide Oversight
Board Representative, San Bernardino County

Attachment

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 14,481,439	\$ 8,918,418	\$ 23,399,857
Administrative RPTTF Requested	117,450	149,000	266,450
Total RPTTF Requested	14,598,889	9,067,418	23,666,307
RPTTF Requested	14,481,439	8,918,418	23,399,857
<u>Adjustment(s)</u>			
Item No. 23	0	(1,555,298)	(1,555,298)
RPTTF Authorized	14,481,439	7,363,120	21,844,559
Administrative RPTTF Authorized	117,450	149,000	266,450
ROPS 20-21 Prior Period Adjustment (PPA)	(436,637)	0	(436,637)
Total RPTTF Approved for Distribution	\$ 14,162,252	\$ 7,512,120	\$ 21,674,372