



DEPARTMENT OF
FINANCE

GAVIN NEWSOM ■ GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

November 18, 2019

Mr. Al Savay, Community Development Director
City of San Carlos
600 Elm Street
San Carlos, CA 94070

Dear Mr. Savay:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b), the City of San Carlos Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on August 12, 2019. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make amendments or changes to the Last and Final ROPS if the changes are agreed to in writing by the Agency. The Agency has agreed in writing to the following changes made by Finance:

- Item No. 8 – Contract for Legal Services in the total outstanding balance of zero. Per discussion with Agency staff, the Agency's obligation toward this item has been fulfilled and it does not anticipate making any further requests. As a result, and with the Agency's concurrence, Finance has retired this item.
- Item No. 19 – Administrative Cost Allowance totaling \$150,000. While the total administrative costs originally claimed were within the fiscal year administrative cap, the amount appeared excessive given the number and nature of obligations listed on the Last and Final ROPS. Therefore, with the Agency's concurrence, Finance decreased the total requested amount by \$30,000 to \$120,000 (\$150,000 - \$30,000) in Administrative Redevelopment Property Tax Trust Fund (RPTTF).

Finance is approving the Agency's Last and Final ROPS with the above amendments and changes. These changes are reflected in the approved Last and Final ROPS.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$17,945,112 as summarized in the Approved RPTTF Distribution table on the following page.

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/Programs/Redevelopment/ROPS/>

Approved Last and Final ROPS RPTTF Distributions							
ROPS Period	A Periods			B Periods			Annual Total
	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	
Total requested	9,328,443	150,000	9,478,443	8,496,669	0	8,496,669	\$ 17,975,112
Total adjustments	0	(30,000)	(30,000)	0	0	0	(30,000)
Totals	9,328,443	120,000	9,448,443	8,496,669	0	8,496,669	17,945,112
Total RPTTF approved for distribution							
ROPS 20-21	953,707	8,000	961,707	630,514	0	630,514	1,592,221
ROPS 21-22	632,164	8,000	640,164	630,371	0	630,371	1,270,535
ROPS 22-23	632,021	8,000	640,021	631,421	0	631,421	1,271,442
ROPS 23-24	633,071	8,000	641,071	631,796	0	631,796	1,272,867
ROPS 24-25	633,446	8,000	641,446	631,495	0	631,495	1,272,941
ROPS 25-26	633,145	8,000	641,145	630,521	0	630,521	1,271,666
ROPS 26-27	632,171	8,000	640,171	631,370	0	631,370	1,271,541
ROPS 27-28	633,020	8,000	641,020	631,433	0	631,433	1,272,453
ROPS 28-29	633,083	8,000	641,083	630,708	0	630,708	1,271,791
ROPS 29-30	632,358	8,000	640,358	629,583	0	629,583	1,269,941
ROPS 30-31	631,233	8,000	639,233	629,958	0	629,958	1,269,191
ROPS 31-32	631,608	8,000	639,608	631,708	0	631,708	1,271,316
ROPS 32-33	633,358	8,000	641,358	629,708	0	629,708	1,271,066
ROPS 33-34	631,358	8,000	639,358	152,700	0	152,700	792,058
ROPS 34-35	152,700	8,000	160,700	143,383	0	143,383	304,083
Total	9,328,443	120,000	9,448,443	8,496,669	0	8,496,669	\$ 17,945,112

This is Finance's determination related to the enforceable obligations reported on the Last and Final ROPS. HSC section 34191.6 (c) (2) allows agencies to submit no more than two requests to amend the approved Last and Final ROPS.

ROPS distributions will occur twice annually, one distribution for the July 1 through December 31 (ROPS A period), and one distribution for the January 1 through June 30 (ROPS B period). The Agency will receive RPTTF distributions up to the maximum approved amount on the Last and Final ROPS.

The Agency shall not expend more than the amount approved for each enforceable obligation listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted to the County Auditor-Controller (CAC) pursuant to HSC section 34191.6 (c) (3). Pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed, the Agency is required to dispose all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

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 statutes. Therefore, as a practical matter, the ability to fund the items on the Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

HSC section 34187 (b) defines the process of final dissolution of the Agency. When all enforceable obligations have been retired or paid off, all real property has been disposed, and all outstanding litigation has been resolved, the Agency shall, within 30 days of meeting these conditions, submit to the Oversight Board (OB) a request to formally dissolve. The OB shall approve the request within 30 days and submit the request for Finance's review.

Pursuant to HSC section 34191.6 (c), the Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period. The most recent annual ROPS 19-20 approval would remain effective through June 30, 2020, and the Agency's Last and Final ROPS approved will become effective beginning July 1, 2020.

Please direct inquiries to Joshua Mortimer, Supervisor, or Chikako Takagi-Galamba, Manager, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Mr. Martin Romo, Economic Development Coordinator, City of San Carlos
Ms. Shirley Tourel, Senior Internal Auditor, San Mateo County