

Transmitted via e-mail

October 24, 2025

Carla Carvalho-DeGraff, Finance Director
City of Novato
922 Machin Avenue
Novato, CA 94945

Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Novato Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2026 through June 30, 2026 (Amended ROPS 25-26B) to the California Department of Finance (Finance) on September 22, 2025. Finance has completed its review of the Amended ROPS 25-26B.

Based on our review and application of the law, Finance makes the following determination:

- Item No. 8 – Debt service reserves in the amount of \$1,949,283 from Reserve Balance is partially approved and reclassified. According to the Agency, Reserve Balance funding was inadvertently requested instead of the Redevelopment Property Tax Trust Fund (RPTTF) funding. According to the debt service schedule provided by the Agency, the amount requested is for payment to the 2019 Series A and B Bonds (2019 Bonds) during the ROPS 26-27 period.

The Agency received \$1,935,563 in RPTTF funding in ROPS 24-25B as a debt service reserve for the payment due in the ROPS 25-26A period. Instead of using the debt service reserves on hand, the Agency requested and received an additional \$1,935,563 in RPTTF for the 2019 Bonds debt service payments in ROPS 25-26A listed on Item Nos. 16 and 17, leaving \$1,935,563 remaining in the debt service reserve account. Pursuant to the 2019 Bonds debt service schedule, \$1,966,918 is due for the ROPS 26-27A period. The 2019 Bond Indenture requires the Agency to replenish the reserve account with the amounts due for the subsequent ROPS period. Therefore, an additional \$31,355 (\$1,966,918 - \$1,935,563) is necessary for the Agency to meet the Indenture requirement and make its payment.

Therefore, to accurately reflect the correct debt service payment to be held in reserves for the ROPS 26-27A period payment, Finance reclassified the amount requested of \$1,949,283 from Reserve Balance to RPTTF. Finance further reduced the requested amount by \$1,917,928 from \$1,949,283 to \$31,355 to provide the Agency with the necessary RPTTF funding for the 2019 Bonds.

Except for the adjustments denied in whole or in part, Finance does not object to the remaining adjustments listed on your Amended ROPS 25-26B.

The Agency's amended maximum approved RPTTF distribution for the Amended ROPS 25-26B period is \$522,877, as summarized in the Approved RPTTF Distribution table (See Attachment).

Please refer to the Amended ROPS 25-26B schedule used to calculate the total RPTTF approved for distribution:

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

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 25-26B. Please note there is not a Meet and Confer option for the Amended ROPS process; therefore, Finance's determination is final. This determination is effective for this time 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 denied, even if it was not denied on this Amended 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 statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to RedevelopmentAdministration@dof.ca.gov.

Sincerely,

Original signed by:

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

cc: Amy Cunningham, City Manager, City of Novato
Mina Martinovich, Interim Director of Finance, Marin County
Sandra Kacharos, Countywide Oversight Board Representative

Attachment

Approved RPTTF Distribution January 2026 through June 2026	
Authorized RPTTF on ROPS 25-26B	\$ 439,283
Authorized Administrative RPTTF on ROPS 25-26B	52,239
Total Authorized RPTTF on ROPS 25-26B	491,522
Total Requested 25-26B RPTTF Adjustments	0
Finance RPTTF Adjustments	
Item No. 8	31,355
Total Authorized 25-26B RPTTF Adjustments	31,355
Total Amended ROPS 25-26B RPTTF Approved for Distribution	\$ 522,877