



Transmitted via e-mail

May 17, 2023

Yulia Carter, Assistant City Manager/Administrative Services Director
City of Pacifica
540 Crespi Drive
Pacifica, CA 94044

2023-24 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 7, 2023. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Pacifica Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to Finance on January 25, 2023. 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 18, 2023.

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:

- Item No. 12 – City loan in the total outstanding amount of \$909,163. Finance continues to deny this item. Finance previously denied this item because the Agency did not provide documentation to support the amount requested was for a cash exchange, transfer of property, or reimbursement for a third-party contract for an infrastructure project.

During the Meet and Confer review, the Agency provided additional documentation in the form of financial statements. However, the documentation provided is not sufficient to support this item as a loan eligible for repayment under dissolution law. The Agency-provided copy of the 1985 Loan and Repayment Agreement (Agreement) states the City may authorize additional loans by resolution and such loans are subject to the terms of the Agreement. The Agreement also states that the loan amounts are subject to the payment terms if the Redevelopment Agency (RDA) withdraws the funds. To date, only one resolution was provided showing the City authorized an amount of \$475,000 to be loaned. However, there is no information or documentation to show what amount, if any, the RDA withdrew nor that the City authorized any further amounts. Without more information evidencing what amount, if any, was actually loaned, neither the terms of the Agreement nor the statutory requirements for a loan have been met.

Therefore, the requested amount of \$131,237 is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding. To the extent the Agency can provide sufficient documentation, such as journal entries, the Agency may place this item on a future ROPS for Finance's review and 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 \$124,905, 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.

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.

Yulia Carter
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Please direct inquiries to Joshua Mortimer, Supervisor, or Michael Barr, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Mario Xuereb, Financial Analyst II, City of Pacifica
Amanda Johnson, Property Tax Division Manager, San Mateo County
Barbara Christensen, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 154,073	\$ 105,237	\$ 259,310
Administrative RPTTF Requested	0	7,400	7,400
Total RPTTF Requested	154,073	112,637	266,710
RPTTF Requested	154,073	105,237	259,310
<u>Adjustment(s)</u>			
Item No. 12	(131,237)	0	(131,237)
RPTTF Authorized	22,836	105,237	128,073
Administrative RPTTF Authorized	0	7,400	7,400
ROPS 20-21 Prior Period Adjustment (PPA)	(10,568)	0	(10,568)
Total RPTTF Approved for Distribution	\$ 12,268	\$ 112,637	\$ 124,905