



Transmitted via e-mail

April 14, 2023

Rosa Torres, Deputy Director of Finance and Administration
City and County of San Francisco
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

2023-24 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City and County of San Francisco 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 26, 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 Nos. 261 and 264 – Bond Debt Service for Tax Allocation Bonds Series 1998C and Series 1998D in the requested amounts of \$2,130,000 and \$12,575,000, respectively, have been partially reclassified. For Item No. 261, the Agency requested \$989,724 from Bond Proceeds and \$1,140,276 from Redevelopment Property Tax Trust Fund (RPTTF), totaling \$2,130,000; for Item No. 264, the Agency requested \$2,158,492 from Bond Proceeds and \$10,416,508 from RPTTF, totaling \$12,575,000. However, the Agency has available Bond Proceeds of \$1,004,729 and \$2,191,218 for Item Nos. 261 and 264, respectively, held to satisfy the final debt service payments. Therefore, with the Agency's concurrence, Finance has reclassified \$15,005 (\$1,004,729 - \$989,724) and \$32,726 (\$2,191,218 - \$2,158,492), respectively, from RPTTF to Bond Proceeds.
- Item No. 439 – Bond Debt Service for Tax Allocation Bond Series 2023C in the total outstanding amount of \$51,656,826 is not allowed. The new bond issuance intends to provide affordable housing funding for the Transbay Implementation Agreement between the former San Francisco Redevelopment Agency and the Transbay Joint Powers Authority. Finance approved Oversight Board Resolution No. 03-2023 (Resolution), approving the issuance of the Series 2023A and Series 2023B Bonds pursuant to HSC sections 34177.7 (a) (1) and 34177.5 (f); the requested RPTTF funding to make debt service payments for the Series 2023A and Series 2023B Bonds is approved under Item Nos. 437 and 438. However, the Resolution does not approve the issuance of a Series 2023C Bond. Therefore, the requested RPTTF funding of \$4,155,504 to make debt service payments for the Series 2023C Bond is not allowed.

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 \$140,965,582, 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 items, 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.

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Please direct inquiries to Zuber Tejani, Supervisor, or Veronica Zalvidea, Staff, at (916) 322-2985.

Sincerely,

Original signed by Marilyn Standing Horse for:

JENNIFER WHITAKER
Program Budget Manager

cc: Thor Kaslofsky, Executive Director, Office of Community Investment and
Infrastructure, City and County of San Francisco
James Whitaker, Property Tax Manager, San Francisco County
Anna Van Degna, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 26,206,552	\$ 116,868,146	\$ 143,074,698
Administrative RPTTF Requested	3,465,223	0	3,465,223
Total RPTTF Requested	29,671,775	116,868,146	146,539,921
RPTTF Requested	26,206,552	116,868,146	143,074,698
<u>Adjustment(s)</u>			
Item No. 261	0	(15,005)	(15,005)
Item No. 264	0	(32,726)	(32,726)
Item No. 439	0	(4,155,504)	(4,155,504)
	0	(4,203,235)	(4,203,235)
RPTTF Authorized	26,206,552	112,664,911	138,871,463
Administrative RPTTF Authorized	3,465,223	0	3,465,223
ROPS 20-21 Prior Period Adjustment (PPA)	(1,371,104)	0	(1,371,104)
Total RPTTF Approved for Distribution	\$ 28,300,671	\$ 112,664,911	\$ 140,965,582