



Transmitted via e-mail

May 17, 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**

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 14, 2023. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City and County of San Francisco Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2023 through June 30, 2024 (ROPS 23-24) to Finance on January 26, 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 25, 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 determination being disputed:

- Item No. 439 – Bond Debt Service in the total outstanding amount of \$51,656,826. Finance no longer denies this item. Finance initially denied this item due to the description of the item, which related to refunding bonds that have not been issued. On April 13, 2023, Finance issued a partial approval of Oversight Board Resolution No. 03-2023, authorizing the issuance of the 2023 Series A Taxable Third Lien Tax Allocation Bonds for Affordable Housing Projects and the 2023 Series B Third Lien Tax Allocation Bonds for Transbay Infrastructure Projects; however, the descriptions of these new ROPS items did not match the requested amounts. Based on the additional information provided during the Meet and Confer review, the requested amount of \$4,155,504 is approved for Redevelopment Property Tax Trust Fund (RPTTF) funding. Additionally, the Agency has requested the descriptions for Item Nos. 437 and 439 be updated and Item No. 438 be removed from the ROPS as summarized in the table below, resulting in a denial of \$4,894,723 originally approved for Item No. 438:

Item No.	Original Description	RPTTF Requested	Revised Description
437	Tax Allocation Bond Series 2023A - Infrastructure Bond	\$3,339,501	Tax Allocation Bond Series 2023B - Infrastructure Bond
438	Tax Allocation Bond Series 2023B - 2016D Refunding Bond	\$4,894,723	Removed
439	Tax Allocation Bond Series 2023C - Affordable Housing Bond	\$4,155,504	Tax Allocation Bond Series 2023A - Affordable Housing Bond

In addition, per Finance's letter dated April 14, 2023, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- 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 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.

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 \$140,226,363, 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.

Please direct inquiries to Joshua Mortimer, Supervisor, or Jeremy Bunting, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick 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

<b>Approved RPTTF Distribution July 2023 through June 2024</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 26,206,552	\$ 116,868,146	\$ 143,074,698
Administrative RPTTF Requested	3,465,223	0	3,465,223
<b>Total RPTTF Requested</b>	<b>29,671,775</b>	<b>116,868,146</b>	<b>146,539,921</b>
<b>RPTTF Requested</b>	<b>26,206,552</b>	<b>116,868,146</b>	<b>143,074,698</b>
<u>Adjustment(s)</u>			
Item No. 261	0	(15,005)	(15,005)
Item No. 264	0	(32,726)	(32,726)
Item No. 438	0	(4,894,723)	(4,894,723)
	0	(4,942,454)	(4,942,454)
<b>RPTTF Authorized</b>	<b>26,206,552</b>	<b>111,925,692</b>	<b>138,132,244</b>
<b>Administrative RPTTF Authorized</b>	<b>3,465,223</b>	<b>0</b>	<b>3,465,223</b>
ROPS 20-21 Prior Period Adjustment (PPA)	(1,371,104)	0	(1,371,104)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 28,300,671</b>	<b>\$ 111,925,692</b>	<b>\$ 140,226,363</b>