



Transmitted via e-mail

April 12, 2024

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City of Richmond  
450 Civic Center Plaza  
Richmond, CA 94804

### **2024-25 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Richmond Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025 (ROPS 24-25) to the California Department of Finance (Finance) on January 30, 2024. Finance has completed its review of the ROPS 24-25.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 5 – 2004A Tax Allocation Revenue Bond debt service is partially adjusted. The Agency requested \$824,768 from the Redevelopment Property Tax Trust Fund (RPTTF) in error. According to the debt service schedule provided by the Agency, the amount requested for the January 1, 2025 through June 30, 2025 period (ROPS B period) should be \$716,512. Therefore, to accurately reflect the correct debt service payment, Finance adjusts the requested amount by \$108,256 from \$824,768 to \$716,512.
- Item No. 16 – Employee Costs for the requested \$95,000 RPTTF are reclassified. We understand this item is for the employee costs associated with the Metrowalk Phase II and Miraflores Project. It is also our understanding that there are no requirements in the Metrowalk Phase II agreement for project-specific activities to be performed by the Agency; therefore, the \$48,304 in related costs associated with this item are considered general administration. Further, since the Miraflores Project is only enforceable using Other Funds, the associated employee costs of \$46,696 should also be funded using Other Funds. Therefore, of the requested amount of \$95,000 RPTTF, \$48,304 is reclassified to Administrative RPTTF and \$46,696 is reclassified to Other Funds.
- Item No. 121 – 2014A Refunding Bond debt service is partially adjusted. The Agency requested \$1,109,750 from RPTTF in error. According to the debt service schedule provided by the Agency as well as debt reserves held on hand for the final bond payment, the amount requested for the ROPS B period should be \$1,405,874. Therefore, to accurately reflect the correct debt service payment, Finance adjusts the requested amount by \$296,124 from \$1,109,750 to \$1,405,874.

- Item No. 129 – 2021A Refunding Bond debt service is partially adjusted. The Agency requested \$2,907,700 from RPTTF in error. According to the debt service schedule provided by the Agency, the amount requested for the ROPS B period should be \$2,656,800. Therefore, to accurately reflect the correct debt service payment, Finance adjusts the requested amount by \$250,900 from \$2,907,700 to \$2,656,800.
- The claimed administrative costs exceed the allowance by \$48,304. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$256,022 for fiscal year 2024-25.

Although \$256,022 is claimed for ACA, \$48,304 out of \$95,000 for Item No. 16 is considered an administrative cost and should be counted toward the cap. Therefore, as noted in the table below, \$48,304 in excess ACA is not allowed:

<b>Administrative Cost Allowance (ACA) Calculation</b>	
Actual RPTTF distributed for fiscal year 2023-24	\$8,784,067
Less distributed Administrative RPTTF	(250,000)
<b>RPTTF distributed for 2023-24 after adjustments</b>	<b>\$8,534,067</b>
ACA Cap for 2024-25 per HSC section 34171 (b)	\$256,022
ACA requested for 2024-25	256,022
Plus amount reclassified to ACA	48,304
<b>Total ACA after adjustment</b>	<b>\$304,326</b>
<b>ACA in Excess of the Cap</b>	<b>(\$48,304)</b>

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, 2021 through June 30, 2022 (ROPS 21-22) period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 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 \$10,414,679, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2024 through December 31, 2024 period (ROPS A period), and one distribution for the ROPS B period, based on Finance's approved amounts. Since this determination is for the entire ROPS 24-25 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 24-25 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 24-25, 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/](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 24-25. 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 24-25 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 24-25 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 [RedevelopmentAdministration@dof.ca.gov](mailto:RedevelopmentAdministration@dof.ca.gov).

Sincerely,

Original signed by:

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

cc: Andrea Miller, Director of Finance, City of Richmond  
Bob Campbell, Auditor-Controller, Contra Costa County  
Maureen Toms, Countywide Oversight Board Representative

<b>Approved RPTTF Distribution July 2024 through June 2025</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 3,354,448	\$ 7,092,589	\$ 10,447,037
Administrative RPTTF Requested	256,022	0	256,022
<b>Total RPTTF Requested</b>	<b>3,610,470</b>	<b>7,092,589</b>	<b>10,703,059</b>
<b>RPTTF Requested</b>	<b>3,354,448</b>	<b>7,092,589</b>	<b>10,447,037</b>
<u>Adjustment(s)</u>			
Item No. 5	0	(108,256)	(108,256)
Item No. 16	(47,500)	(47,500)	(95,000)
Item No. 121	0	296,124	296,124
Item No. 129	0	(250,900)	(250,900)
	(47,500)	(110,532)	(158,032)
<b>RPTTF Authorized</b>	<b>3,306,948</b>	<b>6,982,057</b>	<b>10,289,005</b>
<b>Administrative RPTTF Requested</b>	<b>256,022</b>	<b>0</b>	<b>256,022</b>
<u>Adjustment(s)</u>			
Item No. 16	47,500	804	48,304
<b>Adjusted Administrative RPTTF</b>	<b>303,522</b>	<b>804</b>	<b>304,326</b>
Excess Administrative Costs	(47,500)	(804)	(48,304)
<b>Administrative RPTTF Authorized</b>	<b>256,022</b>	<b>0</b>	<b>256,022</b>
ROPS 21-22 prior period adjustment (PPA)	(130,348)	0	(130,348)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 3,432,622</b>	<b>\$ 6,982,057</b>	<b>\$ 10,414,679</b>