



April 15, 2019

Ms. Debra Vaca, Senior Administrative Analyst
City of Richmond
450 Civic Center Plaza
Richmond, CA 94804

Dear Ms. Vaca:

Subject: 2019-20 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 of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 29, 2019. Finance has completed its review of the ROPS 19-20.

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

- Item No. 7 – 2010A Tax Allocation Refunding Bonds in the requested amount of \$5,768,726. The Agency requested \$5,384,847 from Reserve Balances and \$383,879 from Redevelopment Property Tax Trust Fund (RPTTF). Of the \$5,384,847 in Reserves Balances requested, the Agency inadvertently included \$2,583,290, which is the prior period adjustment. However, as described below, the prior period adjustment is deducted from the ROPS 19-20 total distribution. As such, Finance is reducing Reserve Balances by \$2,583,290 and increasing RPTTF by \$2,583,290. Therefore, Finance is approving \$2,801,557 from Reserve Balances and \$2,967,169 from RPTTF, totaling \$5,768,726 for this item.
- The Agency's claimed administrative costs exceed the allowance by \$747. 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 \$294,279 for fiscal year 2019-20.

Although \$295,026 is claimed for ACA, only \$294,279 is available pursuant to the cap. Therefore, as noted in the table below, \$747 in excess ACA is not allowed:

Administrative Cost Allowance Calculation	
Actual RPTTF distributed for fiscal year 2018-19	\$ 10,191,882
Less distributed Administrative RPTTF	(382,586)
RPTTF distributed for 2018-19 after adjustments	9,809,296
ACA Cap for 2019-20 per HSC section 34171 (b)	294,279
ACA requested for 2019-20	295,026
ACA in Excess of the Cap	\$ (747)

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 4 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, 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 of the date of this letter. 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/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$10,623,055 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

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

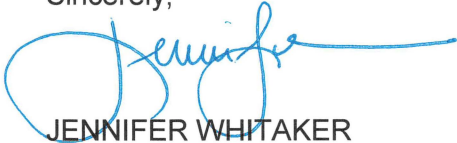
This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received 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.

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The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of 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 Nichelle Jackson, Supervisor, or Michael Painter, Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Belinda Warner, Finance Director, City of Richmond
Mr. Bob Campbell, Auditor-Controller, Contra Costa County

Attachment

Approved RPTTF Distribution			
For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 4,622,162	\$ 5,706,614	\$ 10,328,776
Administrative RPTTF Requested	295,026	0	295,026
Total RPTTF Requested	4,917,188	5,706,614	10,623,802
RPTTF Requested	4,622,162	5,706,614	10,328,776
<u>Adjustments</u>			
Item No. 7	2,583,290	0	2,583,290
RPTTF Authorized	7,205,452	5,706,614	12,912,066
Administrative RPTTF Requested	295,026	0	295,026
Excess Administrative Costs	(747)	0	(747)
Administrative RPTTF Authorized	294,279	0	294,279
Total RPTTF Authorized for Obligations	7,499,731	5,706,614	13,206,345
Prior Period Adjustment	(2,583,290)	0	(2,583,290)
Total RPTTF Approved for Distribution	\$ 4,916,441	\$ 5,706,614	\$ 10,623,055