



April 2, 2019

Ms. Kim Namba, Administrative Services Manager  
Santa Cruz County  
979 17th Avenue  
Santa Cruz, CA 95062

Dear Ms. Namba:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Santa Cruz County 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 30, 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. 44 – Contract for the Provision of Property Management and Disposition Services in the amount of \$227,091 is being reclassified from Reserves to Redevelopment Property Tax Trust Fund (RPTTF). It is our understanding that the Agency's request of Reserves totaling \$227,091 is the prior period adjustment. However, the prior period adjustment will be deducted from total approved RPTTF and is not applied to any particular one item. Therefore, Finance is reducing the requested Reserve amount by \$227,091 and increasing the approved RPTTF by \$227,091 from \$210,081 to \$437,172. The prior period adjustment is included in the table on Page 3.
- Item No. 85 – 2017A Tax Allocation Refunding Bonds in the amount of \$436,286 is being reclassified from Reserves to RPTTF. It is our understanding that the Agency's request of Reserves totaling \$1,985,158 includes the prior period adjustment of \$436,286. However, the prior period adjustment is deducted from total approved RPTTF and is not applied to any particular one item. Therefore, Finance is reducing the requested Reserve amount by \$436,286 from \$1,985,158 to \$1,548,872 and increasing the approved RPTTF by \$436,286 from \$746,630 to \$1,182,916. The prior period adjustment is included in the table on Page 3.

Therefore, with the Agency's concurrence, the funding source for the following items has been reclassified in the amount specified below:

Item No.	Item Name/Project Name	Total Funding Authorized	RPTTF Approved	Reserve Balances Approved
44	Contract for the Provision of Property Management and Disposition Services	\$437,172	\$437,172	\$0
85	2017A Tax Allocation Refunding Bonds	\$2,731,788	\$1,182,916	\$1,548,872

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 3

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 \$16,895,168 as summarized in the Approved RPTTF Distribution table on Page 3 (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.

The amount available from 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 RPTTF.

Please direct inquiries to Joshua Mortimer, Supervisor, or Jane Xuan, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER  
Program Budget Manager

cc: Mr. Carlos Palacios, Deputy CAO, Santa Cruz County  
Ms. Edith Driscoll, Auditor-Controller Treasurer-Tax Collector, Santa Cruz County, Santa Cruz County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 1, 2019 through June 30, 2020</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>ROPS 19-20 Total</b>
RPTTF Requested	\$ 441,148	\$ 16,206,241	\$ 16,647,389
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>566,148</b>	<b>16,331,241</b>	<b>16,897,389</b>
<b>RPTTF Requested</b>	<b>441,148</b>	<b>16,206,241</b>	<b>16,647,389</b>
<u>Adjustments</u>			
Item No. 44	227,091	0	227,091
Item No. 85	436,286	0	436,286
	663,377	0	663,377
<b>RPTTF Authorized</b>	<b>1,104,525</b>	<b>16,206,241</b>	<b>17,310,766</b>
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
<b>Total RPTTF Authorized for Obligations</b>	<b>1,229,525</b>	<b>16,331,241</b>	<b>17,560,766</b>
Prior Period Adjustment	(665,598)	0	(665,598)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 563,927</b>	<b>\$ 16,331,241</b>	<b>\$ 16,895,168</b>