



Transmitted via e-mail

April 15, 2020

Maureen Toms, Deputy Director  
Department of Conservation and Development  
Contra Costa County  
30 Muir Road  
Martinez, CA 94553

### **2020-21 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Contra Costa County Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 30, 2020. Finance has completed its review of the ROPS 20-21.

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

- Item No. 46 – Placemaking Transit Village in the amount of \$330,000 from Reserve Balances is not allowed. It is our understanding there are no contracts in place due to delays in project approval. The same amount was approved on ROPS 19-20, and the Agency did not provide support for the additional funding request. Therefore, the requested amount of \$330,000 is not allowed.
- Item No. 78 – Financial Assistance in the amount of \$1,327,812 from Redevelopment Property Tax Trust Fund (RPTTF) funds is partially reclassified. Since Item No. 46 has been denied, the Reserve Balances are available. Therefore, Finance is approving RPTTF in the amount of \$997,812 and Reserve Balances in the amount of \$330,000, totaling \$1,327,812.
- Item No. 91 – Hookston Station Remediation in the total outstanding amount of \$8,000 is not allowed. The Agreement provided was only valid until June 30, 2020 and does not indicate a continuation past that period. Therefore, the requested amount of \$8,000 from RPTTF is not allowed.
- Item No. 104 – Iron Horse Corridor Remediation, Hookston Station, in the total outstanding amount of \$20,000 is not allowed. HSC section 34181 (a) (1) requires the Oversight Board (OB) to direct the Agency to transfer ownership of those assets that were constructed and used for governmental purposes to the appropriate public jurisdiction. Finance approved OB Resolution No. 2018-03, directing the transfer of the Iron Horse Parcels (Properties) to the County of Contra Costa for continued public use as a bicycle path/walkway, in our letter dated April 13, 2018. Therefore, the Agency is no longer responsible for the maintenance and operation costs of the Properties, and the requested RPTTF funding of \$5,000 is not allowed.

- On the ROPS 20-21 form, the Agency reported cash balances and activity for the period July 1, 2017 through June 30, 2018 (ROPS 17-18). According to our review, the Agency has approximately \$100,045 from Other Funds available to fund enforceable obligations on the ROPS 20-21. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funds. This item does not require payment from property tax revenues; therefore, the funding source for the following item has been reclassified in the amounts specified below:
  - Item No. 77 – Financial Assistance in the amount of \$100,000. Finance has reclassified the requested amount of \$100,000 from RPTTF to Other Funds.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the OB has approved an amount that appears excessive, given the number and nature of the obligations listed on the ROPS. HSC section 34179 (i) requires the OB to exercise a fiduciary duty to the taxing entities. Therefore, Finance encourages the OB to apply adequate oversight when evaluating the administrative resources necessary to successfully wind-down the Agency.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 17-18 period. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (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 \$7,168,082, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 20-21 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 items adjusted, Finance is not objecting to the remaining items listed on the ROPS 20-21. If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, 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 must use the RAD App to complete and submit its Meet and Confer request form.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 20-21. 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 deemed denied until the matter is resolved.

The ROPS 20-21 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 20-21 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 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 Anna Kyumba, Supervisor, or Satveer Ark, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Rosalia Cuevas, Contra Costa County, DCD Accountant, Contra Costa County  
Bob Campbell, Auditor-Controller, Contra Costa County

<b>Approved RPTTF Distribution July 2020 through June 2021</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>ROPS 20-21 Total</b>
RPTTF Requested	\$ 3,226,752	\$ 4,328,006	\$ 7,554,758
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>3,351,752</b>	<b>4,453,006</b>	<b>7,804,758</b>
<b>RPTTF Requested</b>	<b>3,226,752</b>	<b>4,328,006</b>	<b>7,554,758</b>
<u>Adjustments</u>			
Item No. 77	(100,000)	0	(100,000)
Item No. 78	0	(330,000)	(330,000)
Item No. 91	(4,000)	(4,000)	(8,000)
Item No. 104	(5,000)	0	(5,000)
	(109,000)	(334,000)	(443,000)
<b>RPTTF Authorized</b>	<b>3,117,752</b>	<b>3,994,006</b>	<b>7,111,758</b>
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
ROPS 17-18 prior period adjustment (PPA)	(193,676)	0	(193,676)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 3,049,076</b>	<b>\$ 4,119,006</b>	<b>\$ 7,168,082</b>