



Transmitted via e-mail

April 7, 2021

David Biggs, City Manager  
City of Hercules  
111 Civic Drive  
Hercules, CA 94547

### **2021-22 Annual Recognized Obligation Payment Schedule**

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Hercules Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022 (ROPS 21-22) to the California Department of Finance (Finance) on January 29, 2021. Finance has completed its review of the ROPS 21-22.

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

- Item No. 12 – Lease of Commercial Space- Emmerich in the requested amount of \$710,604 is partially allowed. The Agency received Redevelopment Property Tax Trust Fund (RPTTF) funding equal to this amount for the lease payment during the July 1, 2020 through June 30, 2021 (ROPS 20-21) period. However, the lease payment has been delayed due to the RPTTF shortfall on prior ROPS. The Agency revised the request to 10 percent of the obligation or \$71,060 ( $\$710,604 \times 10\%$ ) for late charges as specified in the Lease Agreement. As a result, of the \$710,604 requested, \$639,544 ( $\$710,604 - \$71,060$ ) is not eligible for RPTTF funding.
- Item No. 13 – Lease of Commercial Space-Montoya in the requested amount of \$13,176 is partially allowed. The Agency received RPTTF funding equal to this amount for the lease payment during the ROPS 20-21 period. The Agency revised the request to 10 percent of the obligation or \$1,318 ( $\$13,176 \times 10\%$ ) for late charges as specified in the Lease Agreement. As a result, of the \$13,176 requested, \$11,858 ( $\$13,176 - \$1,318$ ) is not eligible for RPTTF funding.

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, 2018 through June 30, 2019 (ROPS 18-19) period. The ROPS 18-19 prior period adjustment (PPA) will offset the ROPS 21-22 RPTTF distribution. The County Auditor-Controller's review of the PPA form submitted by the Agency resulted in no PPA.

The Agency's maximum approved RPTTF distribution for the reporting period is \$12,112,441, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 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 does not object to the remaining items listed on the ROPS 21-22. If the Agency disagrees with our determination with respect to any items on the ROPS 21-22, 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 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 21-22. 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 21-22 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 21-22 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.

David Biggs  
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Please direct inquiries to Anna Kyumba, Supervisor, or Daisy Rose, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Edwin Gato, Finance Director, City of Hercules  
Bob Campbell, Auditor-Controller, Contra Costa County

**Attachment**

<b>Approved RPTTF Distribution July 2021 through June 2022</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 7,102,703	\$ 5,411,140	\$ 12,513,843
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>7,227,703</b>	<b>5,536,140</b>	<b>12,763,843</b>
<b>RPTTF Requested</b>	<b>7,102,703</b>	<b>5,411,140</b>	<b>12,513,843</b>
<u>Adjustment(s)</u>			
Item No. 12	0	(639,544)	(639,544)
Item No. 13	0	(11,858)	(11,858)
	0	(651,402)	(651,402)
<b>RPTTF Authorized</b>	<b>7,102,703</b>	<b>4,759,738</b>	<b>11,862,441</b>
<b>Administrative RPTTF Authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 7,227,703</b>	<b>\$ 4,884,738</b>	<b>\$ 12,112,441</b>