



Transmitted via e-mail

March 30, 2021

Janet Salisbury, Director of Finance
City of South San Francisco
P.O. Box 711
South San Francisco, CA 94083

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of South San Francisco 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 12, 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 determination:

- Item No. 12 – Oyster Point Ventures Disposition and Development Agreement costs in the amount of \$7,073,582 is partially approved. It is our understanding the requested amount of \$7,073,582 includes \$1,835,707 for contingencies. Allocating funds for unknown contingencies is not an allowable use of funds as defined by HSC section 34171 (d). Therefore, of the \$3,161,108 in Redevelopment Property Tax Trust Fund (RPTTF) and \$3,912,474 in Other Funds requested, \$1,325,401 in RPTTF and \$3,912,474 in Other Funds, totaling \$5,237,875 (\$7,073,582 - \$1,835,707) is approved, and the remaining \$1,835,707 in RPTTF funding is denied.

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 prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,816,900, 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 item, 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/

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.

Please direct inquiries to Joshua Mortimer, Supervisor, or Veronica Zalvidea, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Alex Greenwood, Economic and Community Development Director,
City of South San Francisco
Shirley Tourel, Assistant Controller, San Mateo County

Attachment

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 3,451,712	\$ 0	\$ 3,451,712
Administrative RPTTF Requested	200,895	0	200,895
Total RPTTF Requested	3,652,607	0	3,652,607
RPTTF Requested	3,451,712	0	3,451,712
<u>Adjustment(s)</u>			
Item No. 12	(1,835,707)	0	(1,835,707)
RPTTF Authorized	1,616,005	0	1,616,005
Administrative RPTTF Authorized	200,895	0	200,895
Total RPTTF Approved for Distribution	\$ 1,816,900	\$ 0	\$ 1,816,900