



Transmitted via e-mail
REVISED

June 1, 2022

Julia H. Cooper, Chief Financial Officer
City of San Jose
200 East Santa Clara Street, 13th Floor
San Jose, CA 95113

2022-23 Annual Recognized Obligation Payment Schedule – Revised

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) determination letter dated April 15, 2022. A revision is necessary so that the San Jose Successor Agency (Agency) can receive adequate funding for its enforceable obligations.

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Agency submitted an annual ROPS for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to Finance on February 1, 2022. After further review, Finance makes the following determination:

- Item No. 261 – 2017 Senior Refunding Bonds, Series A-T in the total requested amount of \$107,115,189. Of the total amount requested, \$2,787,123 was requested from Other Funds. Of the \$2,787,123 in Other Funds requested, the Agency requested \$2,126,261 in error. Finance determined the \$2,126,261 in Other Funds is not available, as these funds are already captured the the prior period adjustment (PPA) process. To ensure the Agency has adequate funding, Finance is reclassifying \$2,126,261 from Other Funds to Redevelopment Property Tax Trust Fund (RPTTF) funding.

Therefore, the funding source for the following item has been reclassified in the amounts specified below:

Funding Source	Requested	Adjustment	Authorized
Reserve Balance	\$49,440,000	\$0	\$49,440,000
Other Funds	2,787,123	(2,126,261)	\$660,862
RPTTF	54,888,066	2,126,261	\$57,014,327
Total	\$107,115,189	\$0	\$107,115,189

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, 2019 through June 30, 2020 (ROPS 19-20) period. The ROPS 19-20 PPA will offset the ROPS 22-23 RPTTF distribution. The amount of RPTTF authorized includes the 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 \$141,858,792, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

This is our final determination regarding the obligations listed on the ROPS 22-23. 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 22-23 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 22-23 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.

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Please direct inquiries to Zuber Tejani, Supervisor, or Michael Barr, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Kevin Freimarck, Financial Analyst, City of San Jose
Margaret Oliaya, Finance Agency Director, Santa Clara County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 69,415,292	\$ 72,162,899	\$ 141,578,191
Administrative RPTTF Requested	172,160	108,441	280,601
Total RPTTF Requested	69,587,452	72,271,340	141,858,792
RPTTF Requested	69,415,292	72,162,899	141,578,191
<u>Adjustment(s)</u>			
Item No. 261	2,126,261	0	2,126,261
RPTTF Authorized	71,541,553	72,162,899	143,704,452
Administrative RPTTF Authorized	172,160	108,441	280,601
ROPS 19-20 prior period adjustment (PPA)	(2,126,261)	0	(2,126,261)
Total RPTTF Approved for Distribution	\$ 69,587,452	\$ 72,271,340	\$ 141,858,792

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ICC: Barr, Tejani, Stacy, McAllister, McCormick, Whitaker

Final Path: J:\Audits and Review\ROPS 22-23 Letters PDF

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