



Transmitted via e-mail

May 17, 2022

Norman Veloso, Finance Director  
City of San Pablo  
1000 Gateway Avenue  
San Pablo, CA 94806

### **2022-23 Annual Recognized Obligation Payment Schedule**

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 15, 2022. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of San Pablo Successor Agency (Agency) submitted an annual ROPS for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to Finance on January 31, 2022. The Agency requested a Meet and Confer on one or more of the determinations made by Finance. The Meet and Confer was held on April 27, 2022.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed:

- Item No. 50 – Loan from the City for fiscal years 2016-17 through 2019-20 in the total outstanding amount of \$1,996,683. Finance no longer denies this item. During the Meet and Confer review, the Agency provided additional information clarifying the insufficient funds required for the bond payments. Therefore, the requested amount of \$1,996,683 in Redevelopment Property Tax Trust Fund (RPTTF) funding is allowed.

In addition, per Finance's letter dated April 15, 2022, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item No. 48 – Legal Services requested in the amount of \$15,000 are considered a general administrative cost and have been reclassified from RPTTF to Administrative RPTTF.
- The claimed administrative costs exceed the allowance by \$11,003. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$253,997 for fiscal year 2022-23. Although \$250,000 is claimed for ACA, Item No. 48 is considered an administrative cost and should be counted toward the cap. Therefore, as noted in the table on the following page, \$11,003 in excess ACA is not allowed:

<b>Administrative Cost Allowance (ACA) Calculation</b>	
Actual RPTTF distributed for fiscal year 2021-22	\$8,716,550
Less distributed Administrative RPTTF	(250,000)
<b>RPTTF distributed for 2021-22 after adjustments</b>	<b>\$8,466,550</b>
ACA Cap for 2022-23 per HSC section 34171 (b)	\$253,997
ACA requested for 2022-23	250,000
Plus amount reclassified to ACA	15,000
<b>Total ACA</b>	<b>\$265,000</b>
<b>ACA in Excess of the Cap</b>	<b>(\$11,003)</b>

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 prior period adjustment (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 \$8,588,444, 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.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 22-23 at this time.

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.

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

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER  
Program Budget Manager

cc: Charles Ching, Community & Economic Development Director, City of San Pablo  
Bob Campbell, Auditor-Controller, Contra Costa County

<b>Approved RPTTF Distribution July 2022 through June 2023</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 2,833,683	\$ 5,520,400	\$ 8,354,083
Administrative RPTTF Requested	125,000	125,000	250,000
<b>Total RPTTF Requested</b>	<b>2,958,683</b>	<b>5,645,400</b>	<b>8,604,083</b>
<b>RPTTF Requested</b>	<b>2,833,683</b>	<b>5,520,400</b>	<b>8,354,083</b>
<u>Adjustment(s)</u>			
Item No. 48	(7,500)	(7,500)	(15,000)
<b>RPTTF Authorized</b>	<b>2,826,183</b>	<b>5,512,900</b>	<b>8,339,083</b>
<b>Administrative RPTTF Requested</b>	<b>125,000</b>	<b>125,000</b>	<b>250,000</b>
<u>Adjustment(s)</u>			
Item No. 48	7,500	7,500	15,000
<b>Adjusted Administrative RPTTF</b>	<b>132,500</b>	<b>132,500</b>	<b>265,000</b>
Excess Administrative Costs	(0)	(11,003)	(11,003)
<b>Administrative RPTTF Authorized</b>	<b>132,500</b>	<b>121,497</b>	<b>253,997</b>
ROPS 19-20 prior period adjustment (PPA)	(4,636)	0	(4,636)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 2,954,047</b>	<b>\$ 5,634,397</b>	<b>\$ 8,588,444</b>