



Transmitted via e-mail

May 15, 2020

Dawn Merchant, Finance Director
City of Antioch
P.O. Box 5007
Antioch, CA 94531

2020-21 Annual Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 3, 2020. Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Antioch Successor Agency (Agency) submitted an annual ROPS for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to Finance on January 29, 2020. 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 15, 2020.

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:

- Pursuant to HSC section 34186, successor agencies were required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 17-18 period. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The amount of RPTTF authorized in our April 3, 2020 determination letter included the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency.

During the Meet and Confer, the Agency contended the ROPS 17-18 PPA of \$145,691 was in error as the Agency had already applied the PPA to Item No. 18-2015A Lease Revenue Bonds during the ROPS 19-20 period. As a result of our review, Finance concurs with the Agency. Therefore, the ROPS 17-18 PPA in the amount of \$145,691 reported in our April 3, 2020 ROPS 20-21 determination letter has been reduced to \$0.

- Item No. 15 – Housing Fund Deficit was not a disputed item. However, of the \$258,822 total requested funds, the Agency requested \$65,119 in Reserve Balances. During the Meet and Confer, the Agency confirmed \$65,119 are funds remaining from the ROPS 18-19 period, which represents the ROPS 18-19 PPA. Pursuant to HSC section 34186, the ROPS 18-19 PPA will be used to offset the RPTTF distributions in the ROPS 21-22 period. Therefore, Finance will reclassify \$65,119 from Reserve Balances to RPTTF.

In addition, per Finance's letter dated April 3, 2020, we continue to make the following determinations not contested by the Agency during the Meet and Confer review:

- Item No. 20 – Department of Boating and Waterways Loan in the total outstanding obligation amount of \$3,644,313 is not allowed. It is our understanding this item is currently the subject of litigation. Therefore, the requested amount of \$593,421 in RPTTF is not allowed.
- The administrative costs claimed are within the fiscal year administrative cap pursuant to HSC section 34171 (b) (3). However, Finance notes the Oversight Board (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.

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,927,071, 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.

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.

Dawn Merchant
May 15, 2020
Page 3

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

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Ron Bernal, City Manager, City of Antioch
Bob Campbell, Auditor-Controller, Contra Costa County

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 1,238,844	\$ 1,156,529	\$ 2,395,373
Administrative RPTTF Requested	30,000	30,000	60,000
Total RPTTF Requested	1,268,844	1,186,529	2,455,373
RPTTF Requested	1,238,844	1,156,529	2,395,373
<u>Adjustment(s)</u>			
Item No. 15	65,119	0	65,119
Item No. 20	(593,421)	0	(593,421)
	(528,302)	0	(528,302)
RPTTF Authorized	710,542	1,156,529	1,867,071
Administrative RPTTF Authorized	30,000	30,000	60,000
Total RPTTF Approved for Distribution	\$ 740,542	\$ 1,186,529	\$ 1,927,071