



Transmitted via e-mail

April 15, 2020

Jason Wong, Finance Manager
City of Oakland
150 Frank H. Ogawa Plaza
Oakland, CA 94612

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Oakland Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2020 through June 30, 2021 (ROPS 20-21) to the California Department of Finance (Finance) on January 23, 2020. Finance has completed its review of the ROPS 20-21.

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

- Item Nos. 7, 8, 10, 207, 370, and 426 – Since these items are currently the subject of litigation, the items will continue to be denied until the matters are resolved. Therefore, the Redevelopment Property Tax Trust Fund (RPTTF) funding requested in the following amounts are not allowed:

Item No.	Item Name	Total Outstanding	Total RPTTF Requested
7	Public Employee's Retirement System Pension Obligation	\$21,120,833	\$658,942
8	Other Post-Employment Benefits Unfunded Obligation	10,654,015	332,808
10	Unemployment Obligation	1,256,433	0
207	9451 MacArthur Boulevard-Evelyn Rose Project	517,500	517,500
370	Housing Project Management *	3,206,344	188,752
426	West Oakland Loan Indebtedness	2,749,243	2,717,524
	Total	\$39,504,368	\$4,415,526

* Total requested funding for Item No. 370 consists of \$188,752 in RPTTF and \$700,000 in Bond Proceeds, totaling \$888,752. The entire funding request is not allowed until the matters are resolved.

- Item No. 95 – Uptown Apartments Project in the total requested amount of \$1,776,998. It is our understanding the Agency requested funding from RPTTF instead of Reserve Balances in error. Therefore, with the Agency's concurrence, Finance has reclassified the requested amount of \$1,776,998 from RPTTF to Reserve Balances.
- Item No. 371 – Construction Monitoring Services in the outstanding amount of \$62,640 is not allowed. It is our understanding these costs are related to monitoring construction services related to the Calaveras project. The Calaveras project was identified on the Housing Asset Transfer form and approved to transfer to the Housing Successor Entity. Therefore, these related costs are obligations of the Housing Successor Entity, not the Agency. As a result, the requested amount of \$56,180 in RPTTF funding is not allowed.

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, 2017 through June 30, 2018 (ROPS 17-18) period. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF authorized includes the prior period adjustment (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 \$53,165,530, 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.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 20-21. If the Agency disagrees with our determination with respect to any items on the ROPS 20-21, 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 of 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 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.

Please direct inquiries to Todd Vermillion, Supervisor, or Brian Dunham, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Nicole Remiker, Budget and Management Analyst, City of Oakland
Jason Y. Guo, Tax Analysis, Senior Supervising Auditor, Alameda County

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 17,042,090	\$ 41,018,935	\$ 58,061,025
Administrative RPTTF Requested	867,883	867,883	1,735,766
Total RPTTF Requested	17,909,973	41,886,818	59,796,791
RPTTF Requested	17,042,090	41,018,935	58,061,025
<u>Adjustments</u>			
Item No. 7	(658,942)	0	(658,942)
Item No. 8	(332,808)	0	(332,808)
Item No. 95	(1,776,998)	0	(1,776,998)
Item No. 207	(517,500)	0	(517,500)
Item No. 370	(94,376)	(94,376)	(188,752)
Item No. 371	(28,090)	(28,090)	(56,180)
Item No. 426	(2,717,524)	0	(2,717,524)
	(6,126,238)	(122,466)	(6,248,704)
RPTTF Authorized	10,915,852	40,896,469	51,812,321
Administrative RPTTF Authorized	867,883	867,883	1,735,766
ROPS 17-18 prior period adjustment (PPA)	(382,557)	0	(382,557)
Total RPTTF Approved for Distribution	\$ 11,401,178	\$ 41,764,352	\$ 53,165,530