



Transmitted via e-mail

April 14, 2020

Tim Przybyla, Finance Director
City of Oakley
3231 Main Street
Oakley, CA 94561

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Oakley 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 February 5, 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 No. 42 – 2015 Tax Allocation Bonds (TAB) Series A and B debt service in the amount of \$578,970 for the July 1, 2020 through December 31, 2020 (ROPS 20-21A) period is reclassified. Finance approved \$578,970 in Redevelopment Property Tax Trust Fund (RPTTF) funding for a bond reserve for the ROPS 20-21A debt service payment during the July 1, 2019 through June 30, 2020 (ROPS 19-20) period. Therefore, these Reserve Balances should be used prior to requesting RPTTF. With the Agency's concurrence, the requested funding source for this item has been changed from RPTTF to Reserve Balances, and the RPTTF funding requested has been adjusted from \$578,970 to \$0.
- Item No. 46 – 2018 TAB debt service is adjusted. The Agency requested \$411,053 from RPTTF for the ROPS 20-21A period in error. According to the debt service schedule, the debt service payment for the ROPS 20-21 period should be \$741,053. Further, Finance approved \$741,053 in RPTTF funding for a bond reserve for the ROPS 20-21A debt service payment during the ROPS 19-20 period. Therefore, these Reserve Balances should be used prior to requesting RPTTF. As a result, Finance is approving \$741,053 in Reserve Balances and the requested \$411,053 RPTTF funding has been adjusted to \$0.

- On the ROPS 20-21 form, the Agency reported cash balances and activity for the period July 1, 2017 through June 30, 2018 (ROPS 17-18). According to our review, the Agency has approximately \$108,358 from Other Funds available to fund enforceable obligations on the ROPS 20-21. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funds. This item does not require payment from property tax revenues; therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
 - Item No. 49 – 2015 and 2018 TAB Debt Reserve Fund in the amount of \$1,824,724 is partially reclassified. Finance is approving RPTTF in the amount of \$1,716,366 and the use of Other Funds in the amount of \$108,358, totaling \$1,824,724.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the 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 \$1,975,410, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the ROPS 20-21A period, and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS 20-21B), 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 Anna Kyumba, Supervisor, or Satveer Ark, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

cc: Bryan Montgomery, Executive Director, City of Oakley
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	\$ 999,703	\$ 1,824,724	\$ 2,824,427
Administrative RPTTF Requested	125,000	125,000	250,000
Total RPTTF Requested	1,124,703	1,949,724	3,074,427
RPTTF Requested	999,703	1,824,724	2,824,427
<u>Adjustments</u>			
Item No. 42	(578,970)	0	(578,970)
Item No. 46	(411,053)	0	(411,053)
Item No. 49	0	(108,358)	(108,358)
	(990,023)	(108,358)	(1,098,381)
RPTTF Authorized	9,680	1,716,366	1,726,046
Administrative RPTTF Authorized	125,000	125,000	250,000
ROPS 17-18 prior period adjustment (PPA)	(636)	0	(636)
Total RPTTF Approved for Distribution	\$ 134,044	\$ 1,841,366	\$ 1,975,410