



Transmitted via e-mail

April 14, 2021

Kelly Sessions, Administrative Services Director
City of San Pablo
13831 San Pablo Avenue
San Pablo, CA 94806

2021-22 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of San Pablo Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2021 through June 30, 2022 (ROPS 21-22) to the California Department of Finance (Finance) on February 3, 2021. Finance has completed its review of the ROPS 21-22.

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

- Item No. 29 – Administrative Fees requested in the amount of \$250,000 are considered a general administrative cost and have been reclassified from Redevelopment Property Tax Trust Fund (RPTTF) to Administrative RPTTF.
- Item Nos. 47, 48, and 49 – Bond Fees for Continuing Disclosure Services, Legal Services, and Audit Services in the total outstanding amount \$31,800 (\$10,000 + \$15,000 + \$6,800) are not allowed. It is our understanding these agreements entered into on July 1, 2018, September 26, 2016, and May 1, 2018, respectively, are between the City of San Pablo (City) and various third parties; and the Agency is not a party to the contracts. Therefore, the total requested amount of \$31,800 from RPTTF funding is not allowed.
- Item No. 50 – Loan from the City of San Pablo for fiscal years 2016-17 through 2019-20 in the total outstanding amount of \$1,996,683 is not allowed. The Agency provided bridging documentation and general ledger transactions from 2016-17 through 2019-20. However, these documents are insufficient to support the total requested amount because they do not specify which amounts were paid for by the City's loaned funds and which items remain unfunded. Therefore, the requested amount of \$1,996,683 from RPTTF funding is not allowed. To the extent the Agency can provide suitable documentation that reconciles the requested amount to supporting documents, the item may be considered on a future ROPS.

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, 2018 through June 30, 2019 (ROPS 18-19) period. The ROPS 18-19 prior period adjustment (PPA) will offset the ROPS 21-22 RPTTF distribution. The County Auditor-Controller's review of the PPA form submitted by the Agency resulted in no PPA.

The Agency's maximum approved RPTTF distribution for the reporting period is \$8,699,750, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 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 does not object to the remaining items listed on the ROPS 21-22. If the Agency disagrees with our determination with respect to any items on the ROPS 21-22, 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 from 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 21-22. 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 21-22 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 21-22 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 Anna Kyumba, Supervisor, or Daisy Rose, Staff, at (916) 322-2985.

Sincerely,

Original signed by Cheryl L. McCormick for:

JENNIFER WHITAKER
Program Budget Manager

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

Approved RPTTF Distribution July 2021 through June 2022			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 3,315,175	\$ 7,413,058	\$ 10,728,233
Administrative RPTTF Requested	0	0	0
Total RPTTF Requested	3,315,175	7,413,058	10,728,233
RPTTF Requested	3,315,175	7,413,058	10,728,233
<u>Adjustment(s)</u>			
Item No. 29	(250,000)	0	(250,000)
Item No. 47	(5,000)	(5,000)	(10,000)
Item No. 48	(7,500)	(7,500)	(15,000)
Item No. 49	(6,800)	0	(6,800)
Item No. 50	0	(1,996,683)	(1,996,683)
	(269,300)	(2,009,183)	(2,278,483)
RPTTF Authorized	3,045,875	5,403,875	8,449,750
Administrative RPTTF Requested	0	0	0
<u>Adjustment(s)</u>			
Item No. 29	250,000	0	250,000
Administrative RPTTF Authorized	250,000	0	250,000
Total RPTTF Approved for Distribution	\$ 3,295,875	\$ 5,403,875	\$ 8,699,750