



**DEPARTMENT OF
FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

August 15, 2018

Ms. Rose Zimmerman, City Attorney
Daly City
333 90th Street
Daly City, CA 94015

Dear Ms. Zimmerman:

Subject: Last and Final ROPS Determination

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the Daly City Successor Agency (Agency) submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on May 7, 2018. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make amendments or changes to the Last and Final ROPS if the changes are agreed to in writing by the Agency. The Agency has agreed in writing to the following changes made by Finance to the Agency's Last and Final ROPS:

- Item No. 2 – Daly City (City) Loans have been reduced by \$406,203,818. The Agency originally requested \$443,852,408, which represents the total estimated amount of available Redevelopment Property Tax Trust Fund (RPTTF) to be deposited by the San Mateo County Auditor-Controller (CAC) between fiscal years 2018-19 and 2044-45, rather than the amounts necessary to repay the loans. The total outstanding loan balance is actually \$37,648,590 and Finance worked with the Agency to establish an acceptable repayment schedule.

Based on this schedule, the Agency will repay \$17,486,307 in principal loan balances and \$20,162,283 in interest, for a total of \$37,648,590. Therefore, the total amount requested has been reduced by \$406,203,818, from \$443,852,408 to \$37,648,590, which also includes an adjustment to reconcile the amount of RPTTF funding approved on ROPS 18-19.

- Item No. 3 – Administrative Allowance has been reduced to zero. The Agency originally requested \$1,305,666 in administrative costs. Pursuant to HSC section 34171 (b), the administrative cost allowance (ACA) shall be up to three percent of actual property tax distributed by the CAC in the preceding fiscal year for payment of approved enforceable obligations, reduced by the Agency's ACA and loan repayments made to the City. Because the sole remaining obligation of the Agency is a City Loan, the Agency is ineligible for an ACA. Therefore, the total amount requested has been reduced by \$1,305,666 to zero, which also includes an adjustment to reconcile the amount of RPTTF funding approved on ROPS 18-19.

Finance is approving the Agency's Last and Final ROPS with the above amendments and changes. These changes are reflected in the approved Last and Final ROPS.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$37,648,590 as summarized in the Approved RPTTF Distribution table.

Approved Last and Final ROPS RPTTF Distributions							
ROPS Period	RPTTF	A Periods		B Periods			Annual Total
		Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	
Total requested	221,926,204	652,833	222,579,037	221,926,204	652,833	222,579,037	\$445,158,074
Total adjustments	(184,277,614)	(652,833)	(184,930,447)	(221,926,204)	(652,833)	(222,579,037)	(407,509,484)
Total RPTTF approved for distribution							
ROPS 19-20	1,081,044	0	1,081,044	0	0	0	1,081,044
ROPS 20-21	1,093,898	0	1,093,898	0	0	0	1,093,898
ROPS 21-22	1,142,502	0	1,142,502	0	0	0	1,142,502
ROPS 22-23	1,187,765	0	1,187,765	0	0	0	1,187,765
ROPS 23-24	1,235,632	0	1,235,632	0	0	0	1,235,632
ROPS 24-25	1,285,294	0	1,285,294	0	0	0	1,285,294
ROPS 25-26	1,336,960	0	1,336,960	0	0	0	1,336,960
ROPS 26-27	1,390,691	0	1,390,691	0	0	0	1,390,691
ROPS 27-28	1,446,571	0	1,446,571	0	0	0	1,446,571
ROPS 28-29	1,504,686	0	1,504,686	0	0	0	1,504,686
ROPS 29-30	1,565,125	0	1,565,125	0	0	0	1,565,125
ROPS 30-31	1,627,983	0	1,627,983	0	0	0	1,627,983
ROPS 31-32	1,693,354	0	1,693,354	0	0	0	1,693,354
ROPS 32-33	1,761,341	0	1,761,341	0	0	0	1,761,341
ROPS 33-34	1,832,047	0	1,832,047	0	0	0	1,832,047
ROPS 34-35	1,905,581	0	1,905,581	0	0	0	1,905,581
ROPS 35-36	1,982,056	0	1,982,056	0	0	0	1,982,056
ROPS 36-37	2,061,591	0	2,061,591	0	0	0	2,061,591
ROPS 37-38	2,144,307	0	2,144,307	0	0	0	2,144,307
ROPS 38-39	2,230,331	0	2,230,331	0	0	0	2,230,331
ROPS 39-40	2,319,797	0	2,319,797	0	0	0	2,319,797
ROPS 40-41	2,412,841	0	2,412,841	0	0	0	2,412,841
ROPS 41-42	1,407,193	0	1,407,193	0	0	0	1,407,193
Total approved RPTTF	37,648,590	0	37,648,590	0	0	0	\$ 37,648,590

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

Any agreed upon amendments or changes are reflected in the approved Last and Final ROPS posted on the above website.

This is Finance's determination related to the enforceable obligations reported on the Last and Final ROPS. HSC section 34191.6 (c) (2) allows agencies to submit no more than two requests to amend the approved Last and Final ROPS.

ROPS distributions will occur twice annually, one distribution for the July 1 through December 31 (ROPS A period) and one distribution for the January 1 through June 30 (ROPS B period). The Agency will receive RPTTF distributions up to the maximum approved amount on the Last and Final ROPS.

The Agency shall not expend more than the amount approved for each enforceable obligations listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted the CAC pursuant to HSC section 34191.6 (c) (3). Pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed of, the Agency is required to dispose of all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

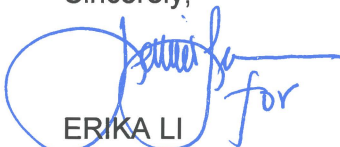
The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

HSC section 34187 (b) defines the process of final dissolution of the Agency. When all enforceable obligations have been retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, the Agency shall, within 30 days of meeting these conditions, submit to the Oversight Board (OB) a request to formally dissolve. The OB shall approve the request within 30 days and submit the request to Finance's review.

Pursuant to HSC section 34191.6 (c), Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period; therefore, if an agency receives a Last and Final ROPS approval after this cutoff date, the most recent annual ROPS 18-19 approval would remain effective through June 30, 2019.

Please direct inquiries to Nichelle Jackson, Supervisor, or Alex Watt, Lead Analyst, at (916) 322-2985.

Sincerely,

A handwritten signature in blue ink, appearing to read "Erika Li", is written over a circular blue stamp. The signature is fluid and cursive.

ERIKA LI
Program Budget Manager

cc: Mr. Lawrence Chiu, Director of Finance & Administrative Services, Daly City
Ms. Shirley Tourel, Auditor-Controller, San Mateo County