



April 13, 2016

Ms. Starla Jerome-Robinson, Interim Finance Director  
City of Redwood City  
1017 Middlefield Road  
Redwood City, CA 94063

Dear Ms. Jerome-Robinson:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Redwood City Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on January 29, 2016. Finance has completed its review of the ROPS 16-17.

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

- Item No. 3 – 2010 Supplemental Educational Revenue Augmentation Fund repayment in the amount of \$1,687,703 is adjusted and approved. Per discussion with Agency staff, the Agency's July 1, 2016 through December 31, 2016 (ROPS A period) request was understated by \$414,169 and the Agency's January 1, 2017 through June 30, 2017 (ROPS B period) request was overstated by \$414,169. Therefore, Finance is increasing the ROPS A period request by \$414,169 and decreasing the ROPS B period request by \$414,169 for Item No. 3. Finance notes the total ROPS 16-17 authorized Redevelopment Property Tax Trust (RPTTF) funding for Item No. 3 is unchanged.
- Item 5 – Capital Improvements Loan from the City of Redwood City in the amount of \$828,339 is adjusted and approved. Per discussion with Agency staff, the Agency's ROPS A period request was overstated by \$414,169 and the Agency's ROPS B period request was understated by \$414,169. Therefore, Finance is decreasing the ROPS A period request by \$414,169 and increasing the ROPS B period request by \$414,169 for Item No. 5. Finance notes the total ROPS 16-17 authorized RPTTF funding for Item No. 5 is unchanged.

The Agency's maximum approved RPTTF distribution for the reporting period is \$6,496,927 as summarized in the Approved RPTTF Distribution Table on Page 3 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the ROPS A period, and one distribution for the ROPS B period based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Finance performs a review of the Agency's self-reported cash balances on an ongoing basis. Be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved enforceable obligations, HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF.

In addition, on the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 schedule used to calculate the total RPTTF approved for distribution:

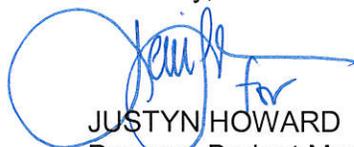
<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-month period. Finance's determination is effective for this time 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 it was 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 statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Wendy Griffe, Supervisor, or Jonathan Cox, Lead Analyst, at (916) 445-1546.

Sincerely,

A handwritten signature in blue ink, appearing to read "Justyn Howard", with a large circular flourish on the left side.

JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Alison Freeman, Financial Services Manager, City of Redwood City  
Mr. Juan Raigoza, Auditor-Controller, San Mateo County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2016 through June 2017</b>			
	<u>ROPS A Period</u>	<u>ROPS B Period</u>	<u>Total</u>
Requested RPTTF (excluding administrative obligations)	\$ 1,395,266	\$ 4,973,804	\$ 6,369,070
Requested Administrative RPTTF	63,928	63,929	127,857
<b>Total RPTTF requested for obligations on ROPS 16-17</b>	<b>1,459,194</b>	<b>5,037,733</b>	<b>\$ 6,496,927</b>
<u>Adjustments to Agency Requested RPTTF</u>			
Item No. 3	414,169	(414,169)	0
Item No. 5	(414,169)	414,169	0
<b>Total RPTTF adjustments</b>	<b>0</b>	<b>0</b>	<b>\$ 0</b>
RPTTF authorized	1,395,266	4,973,804	6,369,070
Administrative RPTTF authorized	63,928	63,929	127,857
<b>Total RPTTF approved for distribution</b>	<b>1,459,194</b>	<b>5,037,733</b>	<b>\$ 6,496,927</b>