DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

April 6, 2016

Mr. Drew Corbett, Finance Director
City of San Mateo City
330 West 20th Avenue
San Mateo, CA 94403

Dear Mr. Corbett:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of San Mateo 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 January 28, 2016. 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 Nos. 43, 47, and 48 – 2007 Refunding Tax Allocation Bonds and the 2015 Refunding Tax Allocation Bonds Series A and B. With the Agency's concurrence, the requested funding source for these obligations has been changed from Redevelopment Property Tax Trust Fund (RPTTF) to Other Funds for the July through December 2016 (ROPS 16-17A) period. The Agency was approved for a reserve for the ROPS 16-17 debt service payment during the January through June 2016 (ROPS 15-16B) period. Therefore, these reserves should be utilized prior to RPTTF. As a result, the total RPTTF funding requested for the ROPS 16-17A has been decreased by a combined $5,087,316.

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 $89,640,065 as summarized in the Approved RPTTF Distribution table on the next page.

| Approved Last and Final ROPS RPTTF Distributions | | | | | | | |
|---|---|---|---|---|---|---|---|
| | A Periods | | | B Periods | | | |
| ROPS Period | RPTTF | Admin RPTTF | A Period Total | RPTTF | Admin RPTTF | B Period Total | Annual Total |
| Total requested | 81,900,076 | 340,000 | 82,240,076 | 12,487,305 | 0 | 12,487,305 | $94,727,381 |
| Total adjustments | (5,087,316) | 0 | (5,087,316) | 0 | 0 | 0 | (5,087,316) |
| Adjusted Totals | 76,812,760 | 340,000 | 77,152,760 | 12,487,305 | 0 | 12,487,305 | 89,640,065 |
| | | | | | | | |
| **Total RPTTF approved for distribution** | | | | | | | |
| ROPS 16-17 | 0 | 20,000 | 20,000 | 1,400,332 | 0 | 1,400,332 | $ 1,420,332 |
| ROPS 17-18 | 5,135,332 | 20,000 | 5,155,332 | 1,340,519 | 0 | 1,340,519 | 6,495,851 |
| ROPS 18-19 | 5,200,519 | 20,000 | 5,220,519 | 1,274,738 | 0 | 1,274,738 | 6,495,257 |
| ROPS 19-20 | 5,264,738 | 20,000 | 5,284,738 | 1,201,405 | 0 | 1,201,405 | 6,486,143 |
| ROPS 20-21 | 5,331,405 | 20,000 | 5,351,405 | 1,123,729 | 0 | 1,123,729 | 6,475,134 |
| ROPS 21-22 | 5,413,729 | 20,000 | 5,433,729 | 1,038,747 | 0 | 1,038,747 | 6,472,476 |
| ROPS 22-23 | 5,495,801 | 20,000 | 5,515,801 | 947,872 | 0 | 947,872 | 6,463,673 |
| ROPS 23-24 | 5,577,872 | 20,000 | 5,597,872 | 853,169 | 0 | 853,169 | 6,451,041 |
| ROPS 24-25 | 5,678,169 | 20,000 | 5,698,169 | 752,294 | 0 | 752,294 | 6,450,463 |
| ROPS 25-26 | 5,782,294 | 20,000 | 5,802,294 | 647,125 | 0 | 647,125 | 6,449,419 |
| ROPS 26-27 | 4,487,125 | 20,000 | 4,507,125 | 551,125 | 0 | 551,125 | 5,058,250 |
| ROPS 27-28 | 4,576,125 | 20,000 | 4,596,125 | 450,500 | 0 | 450,500 | 5,046,625 |
| ROPS 28-29 | 3,860,500 | 20,000 | 3,880,500 | 365,250 | 0 | 365,250 | 4,245,750 |
| ROPS 29-30 | 3,945,250 | 20,000 | 3,965,250 | 275,750 | 0 | 275,750 | 4,241,000 |
| ROPS 30-31 | 4,035,750 | 20,000 | 4,055,750 | 181,750 | 0 | 181,750 | 4,237,500 |
| ROPS 31-32 | 4,131,750 | 20,000 | 4,151,750 | 83,000 | 0 | 83,000 | 4,234,750 |
| ROPS 32-33 | 2,896,401 | 20,000 | 2,916,401 | 0 | 0 | 0 | 2,916,401 |
| **Total approved RPTTF** | **76,812,760** | **340,000** | **77,152,760** | **12,487,305** | **0** | **12,487,305** | **$ 89,640,065** |

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

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 County Auditor-Controller (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 the redevelopment dissolution statutes. 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 for 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. Since Finance approved your Last and Final ROPS more than 15 days before the date of the RPTTF distribution, your approved Last and Final ROPS is effective.

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

Sincerely,

Jennifer for

JUSTYN HOWARD
Program Budget Manager

cc: Ms. Kathy Kleinbaum, Senior Management Analyst, City of San Mateo City
Mr. Juan Raigoza, Auditor-Controller, San Mateo County