



Transmitted via e-mail

April 15, 2020

Susan Hsieh, Finance Director
City of Emeryville
1333 Park Avenue
Emeryville, CA 94608

2020-21 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Emeryville 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 January 22, 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. 122 – Imminent and Substantial Endangerment Order in the total outstanding amount of \$150,000 is not allowed. It is our understanding the obligation is related to reimbursing a third-party for costs incurred. Documents were not submitted to support the third-party had incurred any costs requiring a reimbursement. Therefore, the requested amount of \$150,000 in Redevelopment Property Tax Trust Fund (RPTTF) funding is not allowed.
- Item No. 123 – Professional Services Agreement in the total outstanding amount of \$2,995,000 is not allowed. Finance continues to deny this item. This item is a re-submission of Item No. 51 – Professional Services Agreement, which has been denied as an enforceable obligation in prior ROPS periods. The Agency did not provide any new documentation or information that was not previously provided. Further, this item is currently the subject of litigation and will continue to be denied until the matter is resolved. Therefore, the requested amount of \$2,995,000 in RPTTF funding is not allowed.

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, 2017 through June 30, 2018 (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 \$12,435,564 as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2020 through December 31, 2020 period (ROPS A period), and one distribution for the January 1, 2021 through June 30, 2021 period (ROPS B period), 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 Todd Vermillion, Supervisor, or Jeremy Bunting, Analyst, at (916) 322-298.

Sincerely,



 JENNIFER WHITAKER
Program Budget Manager

cc: Michael Guina, City Attorney, City of Emeryville
Jason Y. Guo, Tax Analysis, Senior Supervising Auditor, Alameda County

Approved RPTTF Distribution July 2020 through June 2021			
	ROPS A	ROPS B	ROPS 20-21 Total
RPTTF Requested	\$ 3,065,350	\$ 12,747,776	\$ 15,813,126
Administrative RPTTF Requested	202,288	202,288	404,576
Total RPTTF Requested	3,267,638	12,950,064	16,217,702
RPTTF Requested	3,065,350	12,747,776	15,813,126
<u>Adjustments</u>			
Item No. 122	(75,000)	(75,000)	(150,000)
Item No. 123	(1,497,500)	(1,497,500)	(2,995,000)
	(1,572,500)	(1,572,500)	(3,145,000)
RPTTF Authorized	1,492,850	11,175,276	12,668,126
Administrative RPTTF Authorized	202,288	202,288	404,576
ROPS 17-18 prior period adjustment (PPA)	(637,138)	0	(637,138)
Total RPTTF Approved for Distribution	\$ 1,058,000	\$ 11,377,564	\$ 12,435,564