



Transmitted via e-mail

April 14, 2023

Pedro Jimenez, Assistant City Manager
City of Emeryville
1333 Park Avenue
Emeryville, CA 94608

2023-24 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 July 1, 2023 through June 30, 2024 (ROPS 23-24) to the California Department of Finance (Finance) on January 20, 2023. Finance has completed its review of the ROPS 23-24.

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 amount of \$20,000,000 is partially approved in the amount of \$18,825,000. The Agency has requested \$20,000,000 in Other Funds; however, the Agency was unable to provide support for the total estimate listed on ROPS 23-24. Therefore, of the requested \$20,000,000, only \$18,825,000 (\$20,000,000 - \$1,175,000) is allowed. To the extent the Agency can provide sufficient supporting documentation, this item may be eligible for additional Other Funds on a subsequent ROPS.
- Item No. 127 – Settlement Agreement - WSL. The Agency requested \$11,015,000 from Other Funds in error. Therefore, with the Agency's concurrence, Finance made an adjustment of \$11,015,000 to decrease the requested amount to \$0.
- The claimed administrative costs exceed the allowance by \$264. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual Redevelopment Property Tax Trust Fund (RPTTF) distributed in the preceding fiscal year or \$250,000, whichever is greater; not to exceed 50 percent of the RPTTF distributed in the preceding fiscal year. As a result, the Agency's maximum ACA is \$490,994 for fiscal year 2023-24.

Although \$491,258 is claimed for ACA (\$386,545 in RPTTF + \$104,713 in Other Funds), only \$490,994 is available pursuant to the cap. Therefore, as noted in the table below, \$264 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2022-23	\$16,805,091
Less distributed Administrative RPTTF	(438,628)
RPTTF distributed for 2022-23 after adjustments	\$16,366,463
ACA Cap for 2023-24 per HSC section 34171 (b)	\$490,994
ACA requested for 2023-24	491,258
ACA in Excess of the Cap	(\$264)

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, 2020 through June 30, 2021 (ROPS 20-21) period. The ROPS 20-21 prior period adjustment (PPA) will offset the ROPS 23-24 RPTTF distribution. The amount of RPTTF authorized includes the 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 \$14,706,542, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2023 through December 31, 2023 period (ROPS A period), and one distribution for the January 1, 2024 through June 30, 2024 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 23-24 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 approves the remaining items listed on the ROPS 23-24 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 23-24, 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 Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 23-24. 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 23-24 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 23-24 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 Joshua Mortimer, Supervisor, or Brian Dunham, Staff, at (916) 322-2985.

Sincerely,


for JENNIFER WHITAKER
Program Budget Manager

cc: Peggy Xu, Accounting Manager, City of Emeryville
Trina Caballero, Division Chief, Tax Analysis Unit/Countywide Oversight Board
Representative, Alameda County

Attachment

Approved RPTTF Distribution July 2023 through June 2024			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 1,994,750	\$ 13,090,115	\$ 15,084,865
Administrative RPTTF Requested	140,916	245,629	386,545
Total RPTTF Requested	2,135,666	13,335,744	15,471,410
RPTTF Authorized	1,994,750	13,090,115	15,084,865
Administrative RPTTF Requested	140,916	245,629	386,545
Excess Administrative Costs	(0)	(264)	(264)
Administrative RPTTF Authorized	140,916	245,365	386,281
ROPS 20-21 Prior Period Adjustment (PPA)	(764,604)	0	(764,604)
Total RPTTF Approved for Distribution	\$ 1,371,062	\$ 13,335,480	\$ 14,706,542