



Transmitted via e-mail

April 1, 2022

Brittany Hines, Assistant to the Director, Finance
City of Oakland
150 Frank H. Ogawa Plaza
Oakland, CA 94612

2022-23 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Oakland Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2022 through June 30, 2023 (ROPS 22-23) to the California Department of Finance (Finance) on January 31, 2022. Finance has completed its review of the ROPS 22-23.

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

- Item Nos. 7, 8, 10, 207, 370, and 426 – Since these items are currently the subject of litigation, the items will continue to be denied until the matters are resolved. Therefore, the Redevelopment Property Tax Trust Fund (RPTTF) funding requested in the following amounts are not allowed:

Item No.	Item Name	Total Outstanding	Total RPTTF Requested
7	Public Employee's Retirement System Pension Obligation	\$21,120,833	\$1,317,884
8	Other Post-Employment Benefits Unfunded Obligation	10,654,015	665,616
10	Unemployment Obligation	1,256,434	1,256,434
207	9451 MacArthur Boulevard-Evelyn Rose Project	517,500	517,500
370	Housing Project Management *	3,395,096	303,702
426	West Oakland Loan Indebtedness	2,749,243	2,749,243
	Total	\$39,693,121	\$6,810,379

* Total requested funding for Item No. 370 consists of \$303,702 in RPTTF and \$1,300,000 in Bond Proceeds, totaling \$1,603,702. The entire funding request is not allowed until the matter is resolved.

- Item No. 371 – Construction Monitoring Services in the outstanding amount of \$118,820 is not allowed. It is our understanding these costs are related to monitoring construction services related to the Calaveras project. The Calaveras project was identified on the Housing Asset Transfer form and approved to transfer to the Housing Successor Entity. Therefore, these related costs are obligations of the Housing Successor Entity, not the Agency. As a result, the requested amount of \$118,820 in RPTTF funding is not allowed.
- Item No. 380 – 2011 Housing Bonds Covenants in the total outstanding amount of \$581,100 are not allowed. To date, the Agency has not provided documentation to support the requested amount. Therefore, it is unclear whether this item is an enforceable obligation and the requested amount of \$581,100 is not eligible for RPTTF funding. To the extent the Agency can provide documentation to support the requested amount, the item may be considered on a future ROPS.
- Item No. 632 – Central District Bonds Debt Service in the total amount of \$8,171,275 consisting of \$4,061,737 in Reserve Balances and \$4,109,538 in RPTTF is partially allowed. The Agency stated it requested the incorrect amount and RPTTF funding source in error. Pursuant to the debt service schedule, only \$4,223,250 is due during the ROPS 22-23 period. Therefore, \$4,223,250 in Reserve Balances is approved and \$4,109,538 is not eligible for RPTTF funding.
- Item No. 653 – Prior Year Unreimbursed Administrative Costs in the total outstanding amount of \$107,093 is not allowed. The Agency did not provide documentation to support the requested amount. Therefore, it is unclear whether this item is an enforceable obligation and the requested amount of \$107,093 is not eligible for RPTTF funding. To the extent the Agency can provide documentation to support the requested amount, the item may be considered on a future ROPS.
- The claimed administrative costs exceed the allowance by \$46,286. HSC section 34171 (b) (3) limits the fiscal year Administrative Cost Allowance (ACA) to three percent of actual RPTTF distributed in the preceding fiscal year or \$250,000, which ever 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 \$669,496 for fiscal year 2022-23. Although \$715,782 is claimed for ACA, only \$669,496 is available pursuant to the cap. Therefore, as noted in the table below, \$46,286 in excess ACA is not allowed:

Administrative Cost Allowance (ACA) Calculation	
Actual RPTTF distributed for fiscal year 2021-22	\$23,087,984
Less distributed Administrative RPTTF	(771,447)
RPTTF distributed for 2021-22 after adjustments	\$22,316,537
ACA Cap for 2022-23 per HSC section 34171 (b)	\$669,496
Total ACA requested for 2022-23	\$715,782
ACA in Excess of the Cap	(\$46,286)

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, 2019 through June 30, 2020 (ROPS 19-20) period. The ROPS 19-20 prior period adjustment (PPA) will offset the ROPS 22-23 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 \$18,433,858, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2022 through December 31, 2022 period (ROPS A period), and one distribution for the January 1, 2023 through June 30, 2023 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 22-23 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 22-23 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 22-23, 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 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 22-23. 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 22-23 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 22-23 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.

Brittany Hines
April 1, 2022
Page 4

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,



JENNIFER WHITAKER
Program Budget Manager

cc: Pooja Shrestha, Assistant Controller, City of Oakland
Trina Caballero, Division Chief, Tax Analysis Unit, Alameda County

Approved RPTTF Distribution July 2022 through June 2023			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 13,043,510	\$ 21,785,948	\$ 34,829,458
Administrative RPTTF Requested	357,891	357,891	715,782
Total RPTTF Requested	13,401,401	22,143,839	35,545,240
RPTTF Requested	13,043,510	21,785,948	34,829,458
<u>Adjustment(s)</u>			
Item No. 7	(658,942)	(658,942)	(1,317,884)
Item No. 8	(332,808)	(332,808)	(665,616)
Item No. 10	(628,217)	(628,217)	(1,256,434)
Item No. 207	(517,500)	0	(517,500)
Item No. 370	(303,702)	0	(303,702)
Item No. 371	(118,820)	0	(118,820)
Item No. 380	(581,100)	0	(581,100)
Item No. 426	(2,749,243)	0	(2,749,243)
Item No. 632	0	(4,109,538)	(4,109,538)
Item No. 653	(107,093)	0	(107,093)
	(5,997,425)	(5,729,505)	(11,726,930)
RPTTF Authorized	7,046,085	16,056,443	23,102,528
Administrative RPTTF Requested	357,891	357,891	715,782
Excess Administrative Costs	(0)	(46,286)	(46,286)
Administrative RPTTF Authorized	357,891	311,605	669,496
ROPS 19-20 prior period adjustment (PPA)	(5,338,166)	0	(5,338,166)
Total RPTTF Approved for Distribution	\$ 2,065,810	\$ 16,368,048	\$ 18,433,858