



November 21, 2017

Ms. Bree Mawhorter, Deputy Director of Finance and Administration
City and County of San Francisco
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

Dear Ms. Mawhorter:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City and County of San Francisco Successor Agency (Agency) submitted an amended Recognized Obligation Payment Schedule for the period January 1, 2018 through June 30, 2018 (Amended ROPS 17-18B) to the California Department of Finance (Finance) on September 13, 2017. Finance has completed its review of the Amended ROPS 17-18B.

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

- Item No. 7 – CalPERS unfunded pension liability obligation for the requested adjustment of \$35,000 in Redevelopment Property Tax Trust Fund (RPTTF) is not needed. It is our understanding sufficient RPTTF has already been authorized for this obligation for the ROPS 17-18 period. As a result, with the Agency's concurrence, the requested adjustment of \$35,000 is ineligible for RPTTF funding.
- Item No. 237 – Transbay Affordable Housing obligation for the requested adjustment of \$2,359,606 in RPTTF is partially approved. It is our understanding the Agency only requires an adjustment of \$671,269 (\$2,359,606 - \$1,688,337). As a result, with the Agency's concurrence, of the \$2,359,606 adjustment requested, \$1,688,337 is ineligible for RPTTF funding.
- Item No. 415 – 2017 Series D Tax Allocation Refunding Bonds debt service for the requested adjustment of \$20,000,000 in RPTTF is not needed. It is our understanding sufficient RPTTF has been authorized for the bonds being refunded and that RPTTF will be used to pay the new debt service for the refunding bonds. As a result, with the Agency's concurrence, the requested adjustment of \$20,000,000 is ineligible for RPTTF funding.

Except for the adjustments denied in whole or in part, Finance is not objecting to the remaining adjustments listed on your Amended ROPS 17-18B.

The Agency's amended maximum approved RPTTF distribution for the ROPS 17-18B period is \$127,387,629 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

Please refer to the ROPS 17-18B 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 funding of enforceable obligations reported on your Amended ROPS 17-18B. Please note there is no Meet and Confer option for the Amended ROPS process and Finance's determination is final. This 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 not denied on this Amended 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 redevelopment dissolution law. 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 Kylie Oltmann, Supervisor, or Brian Dunham, Lead Analyst, at (916) 322-2985.

Sincerely,



ERIKA LI
Program Budget Manager

cc: Ms. Nadia Sesay, Interim Executive Director, City and County of San Francisco
Mr. James Whitaker, Property Tax Manager, San Francisco County

Attachment

Approved RPTTF Distribution	
For the period of January 2018 through June 2018	
Authorized RPTTF on ROPS 17-18B	\$ 91,026,372
Authorized Administrative RPTTF on ROPS 17-18B	1,544,624
Total Authorized RPTTF on ROPS 17-18B	92,570,996
Total Requested 17-18B RPTTF Adjustments	56,539,970
Finance RPTTF Adjustments	
Item No. 7	(35,000)
Item No. 237	(1,688,337)
Item No. 415	(20,000,000)
	<u>(21,723,337)</u>
Total Finance Authorized 17-18B Adjustments	34,816,633
Total Amended ROPS 17-18B RPTTF approved for distribution	\$ 127,387,629