



Memorandum

TO: SUCCESSOR AGENCY BOARD

FROM: Julia H. Cooper

SUBJECT: SEE BELOW

DATE: May 30, 2019

Approved

Date

5/31/19

**SUBJECT: SUCCESSOR AGENCY BOARD APPROVAL OF THE JULY 1, 2019 –
JUNE 30, 2020 ADMINISTRATIVE BUDGET AND ANNUAL
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2019-20**

RECOMMENDATION

Successor Agency Board adopt resolutions approving the:

- (a) Administrative Budget for July 1, 2019 through June 30, 2020; and
- (b) Recognized Obligation Payment Schedule 2019-20 and authorizing payment of expenditures for items on ROPS 2019-20, which details the obligations of the Successor Agency for the period of July 1, 2019 through June 30, 2020.

OUTCOME

Approval of these resolutions provides budget authority for the Successor Agency for expenditures as available funding permits in accordance with the priority of obligations.

EXECUTIVE SUMMARY

Under the legislation dissolving redevelopment agencies, a Successor Agency is required to submit a Recognized Obligation Payment Schedule (“ROPS”) and Administrative Budget to the Countywide Oversight Board (“County Board”) and California Department of Finance (“DOF”) for their approval every fiscal year.

The following documents related to the Annual ROPS FY2019-20 are attached:

- Attachment #1: Successor Agency Administrative Budget Summary
- Attachment #2: Successor Agency Personnel Costs Detail
- Attachment A: ROPS Schedule 2019-20 – Summary
- Attachment B: ROPS Schedule 2019-20 – ROPS Detail
- Attachment C: ROPS Schedule 2019-20 – Report of Cash Balances
- Attachment D: ROPS Schedule 2019-20 – Notes
- Exhibit A: DOF ROPS 2019-20 Final Determination Letter

The Annual ROPS 2019-20 was approved by the County Board on January 23, 2019 and submitted to the DOF on January 31, 2019 prior to the February 1st submission deadline. The DOF completed its review of the Annual ROPS 2019-20 and released its final determination of enforceable obligations listed on the ROPS and approval of Redevelopment Property Tax Trust Fund (RPTTF) funding on April 9, 2019.

The ROPS includes obligations due during the reporting period of July 1, 2019 through June 30, 2020. At this time, approval of these items by the Successor Agency Board provides budget authority for expenditures as available funding permits in accordance with the priority of obligations.

BACKGROUND

Pursuant to Health and Safety Code (HSC) 34177, each Successor Agency had to submit a ROPS to the DOF every six months. Effective September 22, 2015, the preparation and approval of the ROPS was changed from a bi-annual process to an annual process for the fiscal period beginning July 1, 2016. On December 1, 2016, DOF provided the new template for the 2017-18 Annual ROPS which requires payment amounts to be reported in the "A" and/or "B" periods. Included in the template are the Summary form, ROPS Detail, Report of Cash Balances for ROPS 2016-17 period, and Notes section.

Beginning October 1, 2018, pursuant to HSC section 34186 (c), agencies will be required to submit their Prior Period Adjustment (PPA) form to the County Auditor-Controller (CAC) for review. To allow for the transition to an annual ROPS, the DOF has removed the PPA form to allow reporting of actual expenditures for a 12-month period. Pursuant to HSC section 34177 (o) (1) (E), not more than once per ROPS period, a successor agency may submit an amendment to the current ROPS approved by Finance.

ANALYSIS

A. Review of ROPS by County Auditor-Controller

The County Auditor-Controller (CAC) is authorized, but not required, to review the ROPS and transmit objections to any items not demonstrated to be enforceable obligations to the Successor Agency, County Board, DOF. On January 17, 2019, the CAC issued a Notice of No Objection to the 2019-20 ROPS.

In comparison to the 2018-19 ROPS, there are several lines in the 2019-20 ROPS related to all twenty-five Redevelopment Agency bond series of prior obligations of the Successor Agency that have been eliminated due to the refunding in December 2017.

B. Administrative Budget for July 1, 2019 – June 30, 2020 (Attachments #1-2)

The Redevelopment Dissolution Law requires that the Successor Agency prepare an Administrative Budget for County Board approval. The Administrative Budget includes operating costs (unemployment costs and professional contractual services), and City support services. Each budget line item references the payee name, description of work, source of payment, and an annual total.

Attachment #1 summarizes the total Administrative Budget for the fiscal period July 1, 2019 through June 30, 2020 totaling \$450,000 which includes City staffing costs, operating costs, and external audit services.

The FY 2019-20 Administrative Budget for the Successor Agency administrative costs reflects a reduction of \$697,193 or 61% from the Approved Administrative Budget for FY 2018-19. This significant reduction is the result of a 67% decrease in staffing to support the work of the Successor Agency.

Attachment #2 provides the total salary and benefits costs, and FTEs, for the City Support Services to the Successor Agency in the 2019-20 ROPS. City Support Services include staff from the City Attorney's Office, Clerk's Office, Finance Department, and the City Manager's Office. These costs are reflected in total on Attachment #1 to this memorandum, which summarizes all Administrative costs included in the ROPS. There is a reduction of 67% (\$690,525) and 2.25 full-time equivalent (FTE) from FY 2018-19 that includes the elimination of overhead (\$139,918), 10% contingency (\$53,366), and a reduction to some of the staffing allocations (\$52,734).

At the January 23 meeting where the FY2019-20 ROPS and administrative budget were presented the County Board recommended a decrease of \$246,018 in city support services which caused the amount approved to decrease from \$584,606 to \$338,588 and the Administrative Budget from \$699,018 to \$450,000. Due to this decrease in personnel costs, there is a possibility budgeted staffing resources in FY 2019-20 will be insufficient for undertaking the annual

compliance for the owner participation agreements, loan agreements, and disposition and development agreements.

The source of funding for the Successor Agency Administrative Budget will be the Redevelopment Property Tax Trust Fund (RPTTF), formerly tax increment dollars. The administrative activities performed by City staff on behalf of the Successor Agency will be reimbursed from RPTTF funds.

EVALUATION AND FOLLOW-UP

Health and Safety Code Section 34177 (o) (1) (E) allows the Successor Agency to amend its ROPS once prior to October 1 during the reporting period.

PUBLIC OUTREACH

The memorandum will be posted on or about May 31, 2019 for consideration at the City Council/Successor Agency Board meeting on June 11, 2019.

COORDINATION

This memorandum has been prepared by the City Finance Department in coordination with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

COST SUMMARY/IMPLICATIONS

The ROPS reflects obligations due during the reporting period of July 1, 2019 through June 30, 2020. Resulting from the \$1.68 billion bond refinancing completed in December 2017, the disposition of Successor Agency properties and the continued growth in RPTTF, the Successor Agency has sufficient funds to pay for all enforceable obligations, including administrative costs previously funded by the City.

May 30, 2019

Subject: Successor Agency's July 2019 – June 2020 Administrative Budget and Annual ROPS 2019-20

Page 5

CEQA

Not a Project, File No. PP17 010, City Organizational & Administrative Activities resulting in no changes to the physical Environment, and File No. PP17 004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

/s/

JULIA H. COOPER
Chief Financial Officer

For more information, contact Julia H. Cooper, Chief Financial Officer, at 408-535-7011.

Attachments:

- Attachment #1: Successor Agency Administrative Budget Summary
- Attachment #2: Successor Agency Personnel Costs Detail
- Attachment A: ROPS Schedule 19-20 – Summary
- Attachment B: ROPS Schedule 19-20 – ROPS Detail
- Attachment C: ROPS Schedule 16-17 – Report of Cash Balances
- Attachment D: ROPS Schedule 19-20 – Notes
- Exhibit A: DOF ROPS 19-20 Final Determination Letter

**Successor Agency Amended Administrative Budget
2019-20 ROPS
July 2019-June 2020**

| PAYEE | DESCRIPTION OF WORK | APPROVED BUDGET FY2018- 19 TOTAL | BUDGET 2019-20A | BUDGET 2019-20B | BUDGET 2019-20 | SAVINGS |
|------------------------------------|---|---|----------------------------|----------------------------|---------------------------|-----------------|
| City of San Jose | Personnel costs for operations (refer to Attachment #2) | 1,029,113 | 169,294 | 169,294 | 338,588 | 690,525 |
| EDD | Unemployment payments of former staff | 8,000 | 23,400 | 11,700 | 35,100 | (27,100) |
| Macias, Gini & O'Connell LLP | Financial Audit Services - Annual Audit | 54,080 | 58,312 | 0 | 58,312 | (4,232) |
| Standard Retirement Services, Inc. | Investment administration services | 6,000 | 0 | 0 | 0 | 6,000 |
| StanCorp Investment Advisers, Inc. | Investment advisory services | 20,000 | 0 | 0 | 0 | 20,000 |
| ADP, Inc. | Services associated with SARA payroll processing | 8,000 | 0 | 0 | 0 | 8,000 |
| Misc. Vendors | Meeting, postage, and memberships | 4,000 | 0 | 0 | 0 | 4,000 |
| Wells Fargo Bank | General banking service fees | 18,000 | 9,000 | 9,000 | 18,000 | 0 |
| | | 1,147,193 | 260,006 | 189,994 | 450,000 | 697,193 |

| |
|-------------------------|
| Savings % 61% |
|-------------------------|

Recognized Obligation Payment Schedule (ROPS 19-20) - Summary
Filed for the July 1, 2019 through June 30, 2020 Period

Successor Agency: San Jose
County: Santa Clara

| Current Period Requested Funding for Enforceable Obligations (ROPS Detail) | | 19-20A Total (July - December) | 19-20B Total (January - June) | ROPS 19-20 Total |
|---|---|---|--|-------------------------|
| A | Enforceable Obligations Funded as Follows (B+C+D): | \$ 45,462,590 | \$ 82,590 | \$ 45,545,180 |
| B | Bond Proceeds | - | - | - |
| C | Reserve Balance | 45,380,000 | - | 45,380,000 |
| D | Other Funds | 82,590 | 82,590 | 165,180 |
| E | Redevelopment Property Tax Trust Fund (RPTTF) (F+G): | \$ 117,197,959 | \$ 74,708,092 | \$ 191,906,051 |
| F | RPTTF | 117,020,543 | 74,600,688 | 191,621,231 |
| G | Administrative RPTTF | 177,416 | 107,404 | 284,820 |
| H | Current Period Enforceable Obligations (A+E): | \$ 162,660,549 | \$ 74,790,682 | \$ 237,451,231 |

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named successor
agency.

Tony Estremera Chair
Name Title
/s/ _____ 1/23/2019
Signature Date

| San Jose Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|-----------------------------------|-------------------------------------|--|---|--------------|--------------------------------------|---------|------------------|--------------------------|-----------------|-------------|----------------|-------------|----------------|-------------------------|-----------------|-------------|---------------|-------------|---------------|
| July 1, 2019 through June 30, 2020 | | | | | | | | | | | | | | | | | | | | | | |
| (Report Amounts in Whole Dollars) | | | | | | | | | | | | | | | | | | | | | | |
| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W |
| Item # | Project Name/Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | ROPS 19-20 Total | 19-20A (July - December) | | | | | 19-20A Total | 19-20B (January - June) | | | | | 19-20B Total |
| | | | | | | | | | | | Fund Sources | | | | | | Fund Sources | | | | | |
| | | | | | | | | | | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | |
| | | | | | | | | \$ 2,797,999,980 | | \$ 237,451,231 | \$ 0 | \$ 45,380,000 | \$ 82,590 | \$ 117,020,543 | \$ 177,416 | \$ 162,660,549 | \$ 0 | \$ 0 | \$ 82,590 | \$ 74,600,688 | \$ 107,404 | \$ 74,790,682 |
| 65 | HUD Section 108 Note (CIM Block | Third-Party Loans | 1/30/2006 | 8/1/2025 | Bank of New York | Loan from the U.S. Department of | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 66 | HUD Section 108 Note (Story/King Retail) | Third-Party Loans | 1/9/2008 | 8/1/2025 | Bank of New York | Loan from the U.S. Department of Housing and Urban Development (HUD) for Section 108 Loans. | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 69 | Successor Agency Bond Activities | Professional Services | 1/1/2014 | 6/30/2023 | BLX Group, LLC | Arbitrage rebate calculation services | Merged | 42,375 | N | \$ 10,000 | | | | 10,000 | | \$ 10,000 | | | | | | \$ - |
| 70 | San Jose Redevelopment Agency vs Solis, Torrez dba Patty's Inn | Miscellaneous | 3/2/2011 | 6/30/2012 | Kenneth F. Solis or Bonnie C. Torrez dba Patty's Inn | Settlement Agreement & General Release | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 71 | IDT Lease (refer to "Notes" section) | Miscellaneous | 12/14/2004 | 7/1/2022 | Integrated Device Technology, Inc. | Parking Covenants - 6024 Silver Creek Road | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 72 | IDT Lease with Option to Purchase (refer to "Notes" section) | Miscellaneous | 3/2/2010 | 6/30/2023 | Integrated Device Technology, Inc. | Lease of Riparian Property | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 78 | Automatic Public Toilets (refer to "Notes" section) | Miscellaneous | 3/20/1998 | 1/12/2021 | JCDecaux San Francisco, LLC & Utility Companies | Rental - Seven Automatic Public Toilets | Merged | 185,335 | N | \$ 127,438 | | | | 73,782 | | \$ 73,782 | | | | 53,656 | | \$ 53,656 |
| 84 | Property-Based Business Improvement District (refer to "Notes" section) | Property Maintenance | 1/15/2008 | 12/31/2022 | Property and Business Improvement District | Payment of Downtown San Jose Property-Based Business Improvement District assessments per the agreement between the City of San Jose and the San Jose Downtown Property Owner's Association | Merged | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 85 | Asset Management/Successor Agency's Lease Obligations (refer to "Notes" section) | Property Maintenance | 1/1/2014 | 6/30/2020 | Miscellaneous Vendors | Utilities, insurance and maintenance for Successor Agency Properties | Merged | 27,000 | N | \$ 27,000 | | | | 27,000 | | \$ 27,000 | | | | | | \$ - |
| 101 | Purchase & Sale Agreement (refer to "Notes" section) | OPA/DDA/Construction | 7/27/1998 | 6/30/2019 | Vendor or Contractor | Escrowed funds for CET Properties Environmental Clean-Up | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 138 | Successor Agency operations (refer to "Notes" section) | Admin Costs | 7/1/2018 | 6/30/2023 | Ross Financial | Ongoing financial advisor services on an as-needed basis | Merged | 80,000 | N | \$ 5,000 | | | | 5,000 | | \$ 5,000 | | | | | | \$ - |
| 143 | Successor Agency Bond Activities | Professional Services | 7/1/2018 | 6/30/2020 | Urban Analytics, LLC | Fiscal consultant services including analysis of tax increment data | Merged | 53,000 | N | \$ 23,000 | | | | 23,000 | | \$ 23,000 | | | | | | \$ - |
| 144 | May 2001 Amended & Restated Agreement (refer to "Notes" section) | Miscellaneous | 5/22/2001 | 6/30/2035 | County of Santa Clara | County Pass-Through Payments - annual formula based on tax increment growth. | Merged | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 149 | Jones Hall-Successor Agency SARA Activities (refer to "Notes" section) | Legal | 10/1/2010 | 6/30/2023 | Jones Hall | Legal services on an as-needed basis to support bond and administrative issues. | Merged | 32,000 | N | \$ 5,000 | | | | 5,000 | | \$ 5,000 | | | | | | \$ - |
| 160 | Successor Agency operations (refer to "Notes" section) | Admin Costs | 6/26/2014 | 6/30/2018 | Montoy Law Corporation | Oversight Board legal services on an as-needed basis | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 162 | Property Disposition Costs (refer to "Notes" section) | Property Maintenance | 7/1/2014 | 6/30/2020 | Miscellaneous Vendors | Potential solicitation expenses associated with the disposition of Agency-owned properties as approved in the Successor Agency's Long Range Property Management Plan. | Merged | 8,000 | N | \$ 8,000 | | | | 8,000 | | \$ 8,000 | | | | | | \$ - |
| 164 | RDA HUD Custodial Fees (refer to "Notes" section) | Fees | 5/16/2006 | 8/1/2025 | U.S. Bank | Custodial Agreement fees associated with the safekeeping of original HUD 108 documents required by HUD. Charges are \$150 per ROPS period | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 244 | North San Pedro Housing - Prop 1C (refer to "Notes" section) | OPA/DDA/Construction | 9/1/2012 | 6/30/2019 | Miscellaneous Vendors | North San Pedro Residential Project - Infill Infrastructure Grant Program Disbursement Agreement | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 245 | Transfer of Asset Audit Recovery (refer to "Notes" section) | Dissolution Audits | 7/1/2012 | 3/27/2013 | State of California Controller's Office | Transfer of Asset audit recovery pursuant to Health and Safety Code 34183 (d) | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 253 | Long-Term Reimbursement (2016-2017) - Administrative Costs (refer to "Notes" section) | City/County Loans After 6/27/11 | 7/1/2016 | 6/30/2042 | City of San Jose | Estimated payment to the City of San Jose for Direct Successor Agency costs and City Support Admin Services made on behalf of the Successor Agency resulting from an insufficiency of funds during a given fiscal year. | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 254 | 2011 Housing Fund SERAF Loan | City/County Loan (Prior 06/28/11), 3rd party agmt-infrastructure | 5/26/2016 | 6/30/2020 | City of San Jose/Low Mod Income Housing Fund | Repayment of \$12,815,668 plus accrued interest pursuant to Health and Safety Code 34171(d) (1) (G). | Merged | 15,945,149 | N | \$ 15,945,149 | | | | 15,945,149 | | \$ 15,945,149 | | | | | | \$ - |
| 255 | 2010 Inter-Fund SERAF Loan | City/County Loan (Prior 06/28/11), 3rd party agmt-infrastructure | 5/26/2016 | 6/30/2020 | City of San Jose | Reinstatement of the original Inter-Fund Loan portion of the 2010 SERAF Loan (\$10 million plus accrued interest). | Merged | 12,741,918 | N | \$ 12,741,918 | | | | 12,741,918 | | \$ 12,741,918 | | | | | | \$ - |
| 256 | City of San Jose Parking Fund Loans | City/County Loan (Prior 06/28/11), 3rd party agmt-infrastructure | 1/12/2017 | 6/30/2020 | City of San Jose | Payment to City of San Jose's Parking Funds for loans that were made to pay for previous debt service obligations pre-dissolution. | Merged | 18,397,367 | N | \$ 18,397,367 | | | | 16,000,000 | | \$ 16,000,000 | | | | 2,397,367 | | \$ 2,397,367 |
| 259 | Arbitrage Rebate | Bonds Issued On or Before 12/31/10 | 7/1/2017 | 6/30/2020 | Internal Revenue Service | Positive arbitrage payment from RDA Bonds | Merged | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 260 | 2017 Successor Agency Senior Refunding Bonds Series A | Refunding Bonds Issued After 6/27/12 | 12/21/2017 | 8/1/2035 | Wilmington Trust | This authorizes the issuance of \$1,413,150,000 (\$1,333,325,000 and \$79,825,000) aggregate principal amount (Tax Allocation Taxable and Tax-Exempt Refunding Bonds) | Merged | 144,379,875 | N | \$ 3,991,250 | | | | 1,995,625 | | \$ 1,995,625 | | | | 1,995,625 | | \$ 1,995,625 |
| 261 | 2017 Successor Agency Senior Refunding Bonds Series A-T | Refunding Bonds Issued After 6/27/12 | 12/21/2017 | 8/1/2034 | Wilmington Trust | This authorizes the issuance of \$264,390,000 aggregate principal amount (Tax Allocation Refunding Bonds) | Merged | 1,564,058,836 | N | \$ 107,368,109 | | 45,380,000 | | 43,959,194 | | \$ 89,339,194 | | | | 18,028,915 | | \$ 18,028,915 |
| 262 | 2017 Successor Agency Subordinate Refunding Bonds Series B | Refunding Bonds Issued After 6/27/12 | 12/21/2017 | 8/1/2029 | Wilmington Trust | This authorizes the issuance of \$264,390,000 aggregate principal amount (Tax Allocation Refunding Bonds) | Merged | 302,657,125 | N | \$ 31,693,000 | | | | 26,193,875 | | \$ 26,193,875 | | | | 5,499,125 | | \$ 5,499,125 |
| 263 | Series 2017 Refunding Bonds ("Merged Area") | Fees | 12/21/2017 | 8/1/2035 | Wilmington Trust | Fiscal Agent Fees for bond administrative services | Merged | 51,000 | N | \$ 3,000 | | | | 3,000 | | \$ 3,000 | | | | | | \$ - |

| San Jose Recognized Obligation Payment Schedule (ROPS 19-20) - ROPS Detail | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--------------------------------------|-----------------------------------|-------------------------------------|--------------------------|---|--------------|--------------------------------------|---------|------------------|--------------------------|-----------------|-------------|--------|-------------|--------------|-------------------------|-----------------|-------------|------------|-------------|---------------|
| July 1, 2019 through June 30, 2020 | | | | | | | | | | | | | | | | | | | | | | |
| (Report Amounts in Whole Dollars) | | | | | | | | | | | | | | | | | | | | | | |
| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W |
| Item # | Project Name/Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | ROPS 19-20 Total | 19-20A (July - December) | | | | | 19-20A Total | 19-20B (January - June) | | | | | 19-20B Total |
| | | | | | | | | | | | Fund Sources | | | | | | Fund Sources | | | | | |
| | | | | | | | | | | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | | Bond Proceeds | Reserve Balance | Other Funds | RPTTF | Admin RPTTF | |
| 264 | Escrow Agent Services for Refunded RDA Bonds | Fees | 12/21/2017 | 12/31/2020 | Wells Fargo Bank | Escrow Agent Fees for Series 2010A | Merged | 1,000 | N | \$ 1,000 | | | | | | \$ - | | | | 1,000 | | \$ 1,000 |
| 265 | Allowable Bond Reserve-Pursuant to Health and Safety Code §34171(d)(1)(A). | Refunding Bonds Issued After 6/27/12 | 12/21/2017 | 8/1/2035 | Wilmington Trust | Per indenture, the Agency is required to reserve 50% of principal paid in Aug debt service period in the January RPTTF distribution | Merged | 738,410,000 | N | \$ 46,625,000 | | | | | | \$ - | | | | 46,625,000 | | \$ 46,625,000 |
| 266 | Long-Term Reimbursement (2017-2018) - Unsecured Enforceable Obligations (refer to "Notes" section) | City/County Loans After 6/27/11 | 7/1/2017 | 6/30/2042 | City of San Jose | Estimated payment to the City of San Jose for unsecured enforceable obligations, as defined in the Reimbursement Agreement, made on behalf of the Successor Agency resulting from an insufficiency of funds during a given fiscal year. | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 267 | Long-Term Reimbursement (2017-2018) - Administrative Costs (refer to "Notes" section) | City/County Loans After 6/27/11 | 7/1/2017 | 6/30/2042 | City of San Jose | Estimated payment to the City of San Jose for Direct Successor Agency costs and City Support Admin Services made on behalf of the Successor Agency resulting from an insufficiency of funds during a given fiscal year. | Merged | | Y | \$ - | | | | | | \$ - | | | | | | \$ - |
| 268 | Series 2017A, Series 2017A-T, Series 2017B (Merged Area) | Fees | 12/21/2017 | 8/1/2035 | Standard & Poor's, Fitch | Annual analytical review of Ratings Agencies | Merged | 480,000 | N | \$ 30,000 | | | | 30,000 | | \$ 30,000 | | | | | | \$ - |
| 269 | Administrative Expenses for Successor Agency | Admin Costs | 7/1/2019 | 6/30/2020 | Various Vendors | Annual administrative fees for SARA operations | Merged | 450,000 | N | \$ 450,000 | | | 82,590 | | 177,416 | \$ 260,006 | | | 82,590 | | 107,404 | \$ 189,994 |
| 273 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 274 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 275 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 276 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 277 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 278 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 279 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 280 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 281 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 282 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 283 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 284 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 285 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 286 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 287 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 288 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 289 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 290 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 291 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 292 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 293 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 294 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 295 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 296 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 297 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 298 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 299 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 300 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 301 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 302 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 303 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 304 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 305 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 306 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 307 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 308 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 309 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 310 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 311 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 312 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 313 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 314 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 315 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 316 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 317 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 318 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |
| 319 | | | | | | | | | N | \$ - | | | | | | \$ - | | | | | | \$ - |

San Jose Recognized Obligation Payment Schedule (ROPS 19-20) - Report of Cash Balances
July 1, 2016 through June 30, 2017
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#).

| A | B | C | D | E | F | G | H |
|----------|---|---------------------------------------|--------------------------------------|--|------------------------------------|---------------------------|--|
| | | Fund Sources | | | | | |
| | | Bond Proceeds | | Reserve Balance | Other Funds | RPTTF | |
| | ROPS 16-17 Cash Balances (07/01/16 - 06/30/17) | Bonds issued on or before 12/31/10 | Bonds issued on or after 01/01/11 | Prior ROPS RPTTF and Reserve Balances retained for future period(s) | Rent, Grants, Interest, etc. | Non-Admin and Admin | Comments |
| 1 | Beginning Available Cash Balance (Actual 07/01/16) RPTTF amount should exclude "A" period distribution amount | 37,808,349 | | 53,346,419 | 19,993,383 | 0 | All Beginning Cash Balances in G/L as of 6/30/2016 minus the June 2016 RPTTF Distribution which is in cell G2 |
| 2 | Revenue/Income (Actual 06/30/17) RPTTF amount should tie to the ROPS 16-17 total distribution from the County Auditor-Controller | 179,590 | | 152,243 | 269,426,490 | 183,735,689 | All Revenue and Interest earned. There are also transfers between accounts in the Other Funds column and property sales that were applied to paying down 2003A (line 32 on ROPS) bonds in the Other Funds column. |
| 3 | Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17) | 54,758 | | 53,151,731 | 272,662,786 | 126,791,933 | In E3, \$1,258,068 is deducted from total because it was given in June RPTTF showing in G2 for 2010C bonds. There are transfers between accounts in the Other Funds column and property sales proceeds that were applied to paying down 2003A bonds (line 32 on ROPS) in the Other Funds column. |
| 4 | Retention of Available Cash Balance (Actual 06/30/17) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 37,933,181 | | 346,931 | 16,757,087 | 56,943,756 | All funds in reserve and other funds are being retained for future bond payments due to insufficiency. |
| 5 | ROPS 16-17 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC | No entry required | | | | | |
| 6 | Ending Actual Available Cash Balance (06/30/17) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |

San Jose Recognized Obligation Payment Schedule (ROPS 19-20) - Notes July 1, 2019 through June 30, 2020

[illegible]

| San Jose Recognized Obligation Payment Schedule (ROPS 19-20) - Notes July 1, 2019 through June 30, 2020 | |
|---|----------------|
| Item # | Notes/Comments |
| | |
| | |



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

GAVIN NEWSOM - GOVERNOR
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ [WWW.DOF.CA.GOV](http://www.dof.ca.gov)

April 9, 2019

Mr. Richard Keit, Managing Director
City of San Jose
200 East Santa Clara Street, 14th Floor Tower
San Jose, CA 95113

Dear Mr. Keit:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of San Jose Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on February 1, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance is approving all of the items listed on the ROPS 19-20 at this time.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in Redevelopment Property Tax Trust Fund (RPTTF) are used to offset current RPTTF distributions. The County Auditor-Controller's review of the prior period adjustment form submitted by the Agency resulted in no prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is \$191,906,051 as summarized in the Approved RPTTF Distribution table on Page 3 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. 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 denied until the matter is resolved.

The ROPS 19-20 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 19-20 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 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 increment is limited to the amount of funding available to the Agency in RPTTF.

Please direct inquiries to Joshua Mortimer, Supervisor, or Erika Santiago, Lead Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER
Program Budget Manager

cc: Ms. Julia Cooper, Chief Financial Officer, City of San Jose
Ms. Emily Harrison, Finance Agency Director, Santa Clara County

Attachment

| Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020 | | | |
|---|-----------------------|----------------------|-----------------------|
| | ROPS A Period | ROPS B Period | ROPS 19-20 Total |
| RPTTF Requested | \$ 117,020,543 | \$ 74,600,688 | \$ 191,621,231 |
| Administrative RPTTF Requested | 177,416 | 107,404 | 284,820 |
| Total RPTTF Requested | 117,197,959 | 74,708,092 | 191,906,051 |
| RPTTF Authorized | 117,020,543 | 74,600,688 | 191,621,231 |
| Administrative RPTTF Authorized | 177,416 | 0 | 284,820 |
| Total RPTTF Authorized for Obligations | 117,197,959 | 74,708,092 | 191,906,051 |
| Prior Period Adjustment | 0 | 0 | 0 |
| Total RPTTF Approved for Distribution | \$ 117,197,959 | \$ 74,708,092 | \$ 191,906,051 |