



# Memorandum

**TO:** SUCCESSOR AGENCY BOARD

**FROM:** Julia H. Cooper

**SUBJECT:** SEE BELOW

**DATE:** May 30, 2019

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Approved D. DSYL Date 5/31/19

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**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 1<sup>st</sup> 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

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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.

HONORABLE MAYOR, CITY COUNCIL AND SUCCESSOR AGENCY BOARD

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**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**

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

Savings % <b>61%</b>
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**Successor Agency to the Redevelopment Agency  
Personnel Costs - Amended Administrative Budget  
ROPS 2019-20  
July 1, 2019 - June 30, 2020**

Personnel by Position	18-19 FTE	18-19 ROPS	19-20 FTE (Original)	ROPS 19- 20 Budget Original	19-20 FTE (Amended)	ROPS 19-20A	ROPS 19-20B	ROPS 19-20 TOTAL
<b>Attorney's Office</b>								
Legal Admin Assistant			0.02	4,016		0	0	-
Senior Legal Analyst			0.05	14,456	0.05	6,444	6,444	12,888
Chief Deputy City Attorney			0.03	16,261	0.03	7,190	7,190	14,380
Chief Deputy City Attorney			0.10	53,849	0.10	23,801	23,801	47,602
	0.34	140,666	0.20	88,582	0.18	37,435	37,435	74,870
<b>Clerk's Office</b>								
Records Specialist			0.05	14,692	0.04	3,789	3,789	7,578
	0.24	68,741	0.05	14,692	0.04	3,789	3,789	7,578
<b>Finance Dept</b>								
Analyst			0.40	72,573	0.35	24,353	24,353	48,706
Assistant Director			0.05	26,940	0.02	4,238	4,238	8,476
Debt Administrator			0.05	12,777	0.05	4,244	4,244	8,488
Deputy Director, Accounting			0.05	15,421	0.05	5,317	5,317	10,634
Director/SARA Chief Financial Officer			0.10	69,360	0.10	27,181	27,181	54,362
Financial Analyst			0.20	38,970	0.20	13,025	13,025	26,050
Senior Account Clerk			0.05	6,250	0.05	2,200	2,200	4,400
Senior Accountant			0.80	136,095	0.60	35,169	35,169	70,338
Supervising Accountant			0.15	31,263	0.10	7,145	7,145	14,290
	2.45	498,753	1.85	409,647	1.52	122,872	122,872	245,744
<b>City Mgr.'s Office</b>								
Senior Executive Analyst (Budget)			0.01	3,470	0.01	1,465	1,465	2,930
Senior Executive Analyst (OED-Real Estate)			0.05	15,069	0.05	3,733	3,733	7,466
	1.02	249,489	0.06	18,539	0.06	5,198	5,198	10,396
10% Contingency on Personal Services		71,464		53,146		-	-	-
	<b>4.05</b>	<b>1,029,113</b>	<b>2.16</b>	<b>584,606</b>	<b>1.80</b>	<b>169,294</b>	<b>169,294</b>	<b>338,588</b>
		Variance			(2.25)	decrease FTE		(690,525)
Changes from 19-20 Original Personnel Costs								67%
There is no overhead (\$139,918 in ROPS 18-19) or contingency charged for ROPS 19-20 .								(246,018) 42%

**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

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

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	19-20A (July - December)					19-20B (January - June)					W	
											Fund Sources					Fund Sources						
											L	M	N	O	P	Q	R	S	T	U		V
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF		Admin RPTTF
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	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	19-20B Total
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 Housing and Urban Development (HUD) for Section 108 Loans.	Merged	\$ 2,797,999,980	Y	\$ 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
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		45,380,000		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	19-20A (July - December)					Q	19-20B (January - June)					W
											Fund Sources						Fund Sources					
											L	M	N	O	P		R	S	T	U	V	
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
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 Total					19-20B Total						
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	\$ -						\$ -					\$ -	
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281									N	\$ -						\$ -					\$ -	
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**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 <a href="#">Cash Balance Tips Sheet</a> .							
A	B	C	D	E	F	G	H
		<b>Fund Sources</b>					
		<b>Bond Proceeds</b>		<b>Reserve Balance</b>	<b>Other Funds</b>	<b>RPTTF</b>	
	<b>ROPS 16-17 Cash Balances (07/01/16 - 06/30/17)</b>	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	<b>Comments</b>
1	<b>Beginning Available Cash Balance (Actual 07/01/16)</b> 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	<b>Revenue/Income (Actual 06/30/17)</b> 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	<b>Expenditures for ROPS 16-17 Enforceable Obligations (Actual 06/30/17)</b>	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	<b>Retention of Available Cash Balance (Actual 06/30/17)</b> 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	<b>ROPS 16-17 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 16-17 PPA form submitted to the CAC	No entry required					
6	<b>Ending Actual Available Cash Balance (06/30/17)</b> 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	
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**

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