



# Memorandum

**TO:** SUCCESSOR AGENCY BOARD

**FROM:** Julia H. Cooper

**SUBJECT:** SEE BELOW

**DATE:** May 27, 2021

Approved

Date

5/28/2021

**SUBJECT: SUCCESSOR AGENCY BOARD APPROVAL OF THE JULY 1, 2021 –  
JUNE 30, 2022 ADMINISTRATIVE BUDGET AND ANNUAL  
RECOGNIZED OBLIGATION PAYMENT SCHEDULE 2021-22**

## **RECOMMENDATION**

It is recommended that the Successor Agency Board adopt resolutions approving:

- (a) The Administrative Budget for July 1, 2021 through June 30, 2022; and
- (b) The Recognized Obligation Payment Schedule 2021-22 (the “ROPS 21-22”) and authorizing payment of expenditures for items on ROPS 21-22, which details the obligations of the Successor Agency for the period of July 1, 2021 through June 30, 2022.

## **OUTCOME**

Approval of these resolutions provides budget authority for the Successor Agency to pay 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 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 ROPS 21-22 are attached:

- Attachment #1: Successor Agency Administrative Budget Summary
- Attachment #2: Successor Agency Personnel Costs Detail

- Attachment A: ROPS 21-22 (as submitted to County)
- Exhibit A: County Notice of Objection Letter to ROPS 21-22
- Exhibit B: DOF Final Determination Letter ROPS 21-22
- Exhibit C: ROPS 21-22 (final per DOF determinations)

The ROPS 21-22 was approved by the County Board on January 13, 2021 and submitted to the DOF on January 29, 2021 prior to the February 1<sup>st</sup> submission deadline. The DOF completed its review and released its final determination of enforceable obligations listed on the ROPS 21-22 and approval of Redevelopment Property Tax Trust Fund (“RPTTF”) funding on April 9, 2021 (Exhibit B).

The ROPS 21-22 includes obligations due during the reporting period of July 1, 2021 through June 30, 2022. Currently, 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 was required 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 semi-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 ROPS 17-18 which requires payment amounts to be reported in the “A” and/or “B” periods. Included in the ROPS 21-22 is: a Summary of the ROPS 21-22; ROPS 21-22 Detail; ROPS 18-19 Report of Cash Balances (3 years in arrears from current ROPS); and ROPS 21-22 Notes section.

Starting in 2018 on October 1 each year, pursuant to HSC section 34186 (c), agencies are required to submit their Prior Period Adjustment (“PPA”) form to the County Auditor-Controller (“CAC”) for review. After review, the CAC submits the PPA to the DOF by February 1. 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, prior to October 1 during the reporting period, a successor agency may submit an amendment to the current ROPS approved by DOF.

## **ANALYSIS**

### **A. Administrative Budget for July 1, 2021 – June 30, 2022 (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, 2021 through June 30, 2022 totaling \$270,801 which includes City staffing costs, bank fees, and external audit services.

The FY 2021-22 Administrative Budget for the Successor Agency administrative costs reflects a reduction of (\$3,092) or 1% from the Approved Administrative Budget for FY 2020-21.

**Attachment #2:** Provides the total salary and benefits costs, and FTEs, for the City Support Services to the Successor Agency in the ROPS 21-22. City Support Services include staff from the City Attorney's Office (0.10 FTE) and Finance Department (0.79 FTE). These costs are reflected in total on Attachment #1 to this memorandum, which summarizes Administrative costs included in the ROPS 21-22. There is a reduction of 1% (\$3,094) in personnel costs and 0.08 full-time equivalent (FTE) reduction in staffing levels from FY 2020-21.

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

#### **B. Review of ROPS by County Auditor-Controller (Exhibit A)**

The 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 13, 2021, the CAC sent via email a Notice of No Objection on the ROPS 21-22.

#### **C. Review of ROPS by DOF (Exhibit B)**

The DOF completed its review of ROPS 21-22 on April 9, 2021. Based on a sample of line items reviewed and application of the law, DOF made the following determinations and adjustments from what the CAC approved (DOF approval is final):

- On the ROPS 21-22, the Successor Agency reported cash balances and activity for the period July 1, 2018 through June 30, 2019 (ROPS 18-19). According to DOF review, the Successor Agency has approximately \$47,858 from Reserve Balances, \$53,808 from Other Balances and \$2,127,702 from RPTTF available to fund enforceable obligations on the ROPS 21-22. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. Therefore, the funding source for the following item has been reclassified in the amount specified below:
  - Item No. 261 – 2017 Successor Agency Senior Refunding Bonds Series A-T in the amount of \$107,191,650 is re-allocated to account for adjustments to the RPTTF, Reserve Balances and Other Funds. For this item, DOF approved

RPTTF in the amount of \$59,119,984 (\$56,259,674 originally requested + \$2,860,310), Reserve Balances in the amount of \$48,017,858 (\$47,970,000 originally requested + \$47,858 additional Reserve Balances available), and Other Funds in the amount of \$53,808 (\$2,961,976 originally requested - \$2,908,168), totaling \$107,191,650.

Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations (prior period adjustments) for the ROPS 18-19 period. The ROPS 18-19 prior period adjustments (PPA) will offset the ROPS 21-22 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 \$142,407,957, as summarized in the approved RPTTF distribution table in the Exhibit B.

RPTTF distributions occur semi-annually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and ROPS B period distributions.

Except for adjustments to Item 261, the DOF did not object to the remaining items listed on the ROPS 21-22. The Successor Agency agreed with the DOF determinations with respect to any items on the ROPS 21-22. Exhibit C shows the final ROPS 21-22 from DOF's determinations and adjustments.

## **CONCLUSION**

Approval of the Administrative Budget and ROPS 21-22 for July 1, 2021 through June 30, 2022 will provide budget authority for the Successor Agency to pay for expenditures for items on ROPS 21-22 as available funding permits in accordance with the priority of obligations.

## **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.

## **CLIMATE SMART SAN JOSE**

The recommendation in this memo has no effect on Climate Smart San Jose energy, water, or mobility goals.

### **PUBLIC OUTREACH/INTEREST**

The memorandum will be posted on the City's website for consideration at the City Council/Successor Agency Board meeting on June 8, 2021.

### **COORDINATION**

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

### **COST SUMMARY/IMPLICATIONS**

The ROPS 21-22 reflects obligations due during the reporting period of July 1, 2021 through June 30, 2022. The Successor Agency has sufficient funds to pay for all enforceable obligations, including administrative costs previously funded by the City.

### **CEQA**

Not a Project, 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

#### **Attachments:**

- Attachment #1: Successor Agency Administrative Budget Summary
- Attachment #2: Successor Agency Personnel Costs Detail
- Attachment A: ROPS 21-22 (approved by County)
- Exhibit A: County Notice of No Objection Letter to ROPS 21-22
- Exhibit B: DOF Final Determination Letter ROPS 21-22
- Exhibit C: ROPS 21-22 (final per DOF determinations)

For more information, contact Julia H. Cooper, Chief Financial Officer for the Successor Agency, at 408-535-7011 or via email at [julia.cooper@sanjoseca.gov](mailto:julia.cooper@sanjoseca.gov)

**Successor Agency Administrative Budget  
2021-22 ROPS  
July 2021-June 2022**

		APPROVED BUDGET FY20- 21 TOTAL	BUDGET 21-22A	BUDGET 21-22B	BUDGET 21-22	SAVINGS
PAYEE	DESCRIPTION OF WORK					
City of San Jose	Personnel costs for operations (refer to Attachment #2)	209,032	102,969	102,969	205,938	<b>3,094</b>
Macias, Gini & O'Connell LLP	Financial Audit Services - Annual Audit	60,061	61,863	0	61,863	<b>(1,802)</b>
Wells Fargo Bank	General banking service fees	4,800	1,500	1,500	3,000	<b>1,800</b>
		<b>273,893</b>	<b>166,332</b>	<b>104,469</b>	<b>270,801</b>	<b>3,092</b>

Savings % <b>1%</b>
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**Successor Agency to the Redevelopment Agency**  
**Personnel Costs - Administrative Budget**  
**2021-22 ROPS**  
**July 1, 2021 - June 30, 2022**

Personnel by Position	20-21 FTE	20-21 ROPS	21-22 FTE	ROPS 21-22	ROPS 21-22A	ROPS 21-22B	ROPS 21-22 TOTAL
Attorney's Office							
Chief Deputy City Attorney			0.10	43,513	21,756	21,756	43,513
	0.10	40,521	0.10	43,513	21,756	21,756	43,513
Finance Department							
Analyst			0.05	9,609	4,805	4,805	9,609
Debt Administrator			0.05	9,842	4,921	4,921	9,842
Deputy Director, Accounting			0.02	4,721	2,361	2,361	4,721
Deputy Director, Debt and Treasury			0.02	4,721	2,361	2,361	4,721
Director/SARA Chief Financial Officer			0.05	23,970	11,985	11,985	23,970
Financial Analyst			0.20	42,279	21,139	21,139	42,279
Senior Accountant			0.40	67,282	33,641	33,641	67,282
	0.87	168,511	0.79	162,425	81,212	81,212	162,425
<b>Total Wages</b>	<b>0.97</b>	<b>209,032</b>	<b>0.89</b>	<b>205,938</b>	<b>102,969</b>	<b>102,969</b>	<b>205,938</b>

Decrease % in FTE from 20-21  
Decrease % in salaries from 20-21  
Savings from 20-21

-8%
-1%
\$ 3,094

**Recognized Obligation Payment Schedule (ROPS 21-22) - Summary**  
**Filed for the July 1, 2021 through June 30, 2022 Period**

**Successor Agency:** San Jose

**County:** Santa Clara

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>21-22A Total (July - December)</b>	<b>21-22B Total (January - June)</b>	<b>ROPS 21-22 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 50,931,976</b>	<b>\$ -</b>	<b>\$ 50,931,976</b>
B Bond Proceeds	-	-	-
C Reserve Balance	47,970,000	-	47,970,000
D Other Funds	2,961,976	-	2,961,976
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 69,421,216</b>	<b>\$ 72,254,134</b>	<b>\$ 141,675,350</b>
F RPTTF	69,254,884	72,149,665	141,404,549
G Administrative RPTTF	166,332	104,469	270,801
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 120,353,192</b>	<b>\$ 72,254,134</b>	<b>\$ 192,607,326</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.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date



**San Jose**  
**Recognized Obligation Payment Schedule (ROPS 21-22) - ROPS Detail**  
**July 1, 2021 through June 30, 2022**

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	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$2,369,425,756		\$192,607,326	\$-	\$47,970,000	\$2,961,976	\$69,254,884	\$166,332	\$120,353,192	\$-	\$-	\$-	\$72,149,665	\$104,469	\$72,254,134
69	Successor Agency Bond Activities	Professional Services	01/01/2014	06/30/2023	BLX Group, LLC	Arbitrage rebate calculation services	Merged	5,000	N	\$5,000	-	-	-	5,000	-	\$5,000	-	-	-	-	-	\$-
78	Automatic Public Toilets (refer to "Notes" section)	Miscellaneous	03/20/1998	01/31/2021	JCDecaux San Francisco, LLC & Utility Companies	Rental - Seven Automatic Public Toilets	Merged	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
85	Asset Management/ Successor Agency's Lease Obligations (refer to "Notes" section)	Property Maintenance	01/01/2014	06/30/2022	Miscellaneous Vendors	Utilities, insurance and maintenance for Successor Agency Properties	Merged	1,000	N	\$1,000	-	-	-	1,000	-	\$1,000	-	-	-	-	-	\$-
138	Successor Agency operations (refer to "Notes" section)	Professional Services	07/01/2018	06/30/2023	Ross Financial	Ongoing financial advisor services on an as-needed basis	Merged	60,000	N	\$10,000	-	-	-	10,000	-	\$10,000	-	-	-	-	-	\$-
143	Successor Agency Bond Activities	Professional Services	07/01/2020	06/30/2025	Urban Analytics, LLC	Fiscal consultant services including analysis of tax increment data	Merged	92,000	N	\$23,000	-	-	-	23,000	-	\$23,000	-	-	-	-	-	\$-
144	May 2001 Amended & Restated Agreement (refer to "Notes" section)	Miscellaneous	05/22/2001	06/30/2035	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	10/01/2010	06/30/2023	Jones Hall	Legal services on an as-needed basis to support bond and administrative issues.	Merged	50,000	N	\$25,000	-	-	-	25,000	-	\$25,000	-	-	-	-	-	\$-
162	Property Disposition Costs (refer to "Notes" section)	Property Maintenance	07/01/2014	06/30/2022	Miscellaneous Vendors	Potential solicitation expenses associated with the disposition of Agency-owned	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

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	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
						properties as approved in the Successor Agency's Long Range Property Management Plan.																
245	Transfer of Asset Audit Recovery (refer to "Notes" section)	Dissolution Audits	07/01/2012	03/27/2013	State of California Controller's Office	Transfer of Asset audit recovery pursuant to Health and Safety Code 34183 (d)	Merged	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
259	Arbitrage Rebate	Bonds Issued On or Before 12/31/10	07/01/2017	06/30/2022	Internal Revenue Service	Positive arbitrage payment	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
260	2017 Successor Agency Senior Refunding Bonds Series A	Refunding Bonds Issued After 6/27/12	12/21/2017	08/01/2035	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	136,397,375	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	08/01/2034	Wilmington Trust	This authorizes the issuance of \$264,390,000 aggregate principal amount (Tax Allocation Refunding Bonds)	Merged	1,349,396,705	N	\$107,191,650	-	47,970,000	2,961,976	39,958,134	-	\$90,890,110	-	-	-	16,301,540	-	\$16,301,540
262	2017 Successor Agency Subordinate Refunding Bonds Series B	Refunding Bonds Issued After 6/27/12	12/21/2017	08/01/2029	Wilmington Trust	This authorizes the issuance of \$264,390,000 aggregate principal amount (Tax Allocation Refunding Bonds)	Merged	239,295,875	N	\$31,646,625	-	-	-	27,234,125	-	\$27,234,125	-	-	-	4,412,500	-	\$4,412,500
263	Series 2017 Refunding Bonds ("Merged Area")	Fees	12/21/2017	08/01/2035	Wilmington Trust	Fiscal Agent Fees for bond administrative services	Merged	42,000	N	\$3,000	-	-	-	3,000	-	\$3,000	-	-	-	-	-	\$-

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	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
265	Allowable Bond Reserve- Pursuant to Health and Safety Code □34171(d)(1)(A).□	Refunding Bonds Issued After 6/27/12	12/21/ 2017	08/01/2035	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	643,815,000	N	\$49,440,000	-	-	-	-	-	\$-	-	-	-	49,440,000	-	\$49,440,000
268	Series 2017A, Series 2017A-T, Series 2017B (Merged Area)	Fees	12/21/ 2017	08/01/2035	Standard & Poor's, Fitch	Annual analytical review of Ratings Agencies	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
269	Administrative Expenses for Successor Agency	Admin Costs	07/01/ 2020	06/30/2036	Various Vendors	Annual administrative fees for SARA operations	Merged	270,801	N	\$270,801	-	-	-	-	166,332	\$166,332	-	-	-	-	104,469	\$104,469
273	City of San Jose - KNTV Building Reimbursement	Property Maintenance	06/30/ 2014	06/30/2014	City of San Jose	Demolition of 645 Park Avenue	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

**San Jose**  
**Recognized Obligation Payment Schedule (ROPS 21-22) - Report of Cash Balances**  
**July 1, 2018 through June 30, 2019**  
(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.							
A	B	C	D	E	F	G	H
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		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	
1	Beginning Available Cash Balance (Actual 07/01/18) RPTTF amount should exclude "A" period distribution amount.		-	93,200,984	8,719,417		Reserve Balance column is amount from 17-18 Cash Balance in the RPTTF column and Retention row. Other Funds column amount is all beginning funds minus 2018 June RPTTF distribution plus outstanding checks balance printed in June but cashed in July 2018
2	Revenue/Income (Actual 06/30/19) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller		1,718,411,110	-	20,667,903	123,993,373	In the Bond Proceeds column, the revenue equals the bond expenses in line 3. The refunding happened in 2017-18 and DOF was given final write-up from Successor Agency in 2018. In the Other Funds column, the revenue equals all deposits from misc revenue, interest earned, and property sale from South Hall that was used to pay off the HUD loans. In the RPTTF column, the amount equals June 2018 and Jan 2019 RPTTF revenue distribution from the County.

Pursuant to Health and Safety Code section 34177 (I), 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.

A	B	C	D	E	F	G	H
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		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	
3	Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)		1,718,411,110	93,153,126	19,833,501	76,485,670	All expenditures are from the PPA submitted.
4	Retention of Available Cash Balance (Actual 06/30/19) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			-	8,767,403	45,380,000	In the Other Funds column, the amount for retention is being reserved for 20-21 ROPS. These were excess funds \$8,685,654 on the cash tab for FY17-18 approved by DOF plus outstanding checks as of June 30, 2019. In the RPTTF column, the amount is from line 265 on the PPA and reserved for Aug 2019-20 debt service. It will be carried forward as a beginning balance on the Reserve Balance column for the next cash reporting period (2019-20).
5	ROPS 18-19 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$47,858	\$786,416	\$2,127,703	Excess funds for 2018-19 period that is applied to 21-22 ROPS debt service.

**San Jose**  
**Recognized Obligation Payment Schedule (ROPS 21-22) - Notes**  
**July 1, 2021 through June 30, 2022**

Item #	Notes/Comments
69	Final Report for RDA 2010A Bonds
78	
85	Annual insurance estimate on Billy de Frank building
138	Services may be required to address inquiries from bondholders or regulatory agencies (SEC or IRS).
143	Annual Fiscal Report fee
144	
149	Bond legal services may be provided if there is an inquiry from a regulatory agency (SEC or IRS) related to the SARA bonds.
162	
245	
259	
260	Debt service
261	Debt service
262	Debt service
263	Annual fee
265	Reserve for Aug 2022 debt service payment per Indenture requirement
268	
269	Includes banking fees, auditor fee, and City staff allocated salaries
273	

EXHIBIT A

## County of Santa Clara

Finance Agency  
Controller-Treasurer

County Government Center  
70 West Hedding Street, East Wing 2<sup>nd</sup> floor  
San Jose, California 95110-1705  
(408) 299-5206 FAX 287-7629



### NOTICE OF NO OBJECTION TO ROPS

January 13, 2021

City of San José Successor Agency  
200 E. Santa Clara St. 14th Floor  
San Jose, CA 95113

Redevelopment Dissolution Countywide Oversight Board of Santa Clara County  
70 West Hedding Street  
San Jose, CA 95110

Department of Finance  
915 L Street  
Sacramento, CA 95814

**ROPS Period:** ROPS 21-22 (July 1, 2021 – June 30, 2022)  
**Successor Agency:** City of San José

To the Successor Agency, Countywide Oversight Board, and Department of Finance:

Pursuant to Health and Safety Code section 34182.5, our office has reviewed the Recognized Obligation Payment Schedule (ROPS) submitted by the above-noted successor agency for the above-noted period. After reviewing all items and funding sources, the Santa Clara County Auditor-Controller does not object to any items or funding sources on the submitted ROPS.

Please note that items and/or funding sources not questioned during this review are subject to subsequent review if they are included on a future ROPS. We also reserve the right to object to an item and/or funding source (including, but not limited to, the use of fund balance) on a future ROPS, even if no objection was made on a preceding ROPS.

Sincerely yours,

DocuSigned by:

6991198CBE39482...

George P. Doorley  
Controller-Treasurer  
County of Santa Clara

Attachment: ROPS 21-22 as submitted to the County Auditor-Controller by Successor Agency

**Board of Supervisors:** Mike Wasserman, Cindy Chavez, Otto Lee, Susan Ellenberg, S. Joseph Simitian  
**County Executive:** Jeffrey V. Smith



Gavin Newsom ■ Governor

915 L Street ■ Sacramento CA ■ 95814-3706 ■ www.dof.ca.gov

Transmitted via e-mail

April 9, 2021

Julia H. Cooper, Chief Financial Officer  
 City of San Jose  
 200 East Santa Clara Street, 13th Floor  
 San Jose, CA 95113

### **2021-22 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 July 1, 2021 through June 30, 2022 (ROPS 21-22) to the California Department of Finance (Finance) on January 29, 2021. Finance has completed its review of the ROPS 21-22.

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

- Item No. 261 – 2017 Successor Agency Senior Refunding Bonds Series A-T in the amount of \$107,191,650. The Agency inadvertently requested Other Funds in excess of the available balance. Therefore, with the Agency's concurrence, Finance adjusted Other Funds in the amount of \$2,908,168 (\$2,961,976 originally requested - \$53,808 available Other Funds) to Redevelopment Property Tax Trust Fund (RPTTF) funding.
- On the ROPS 21-22 form, the Agency reported cash balances and activity for the period July 1, 2018 through June 30, 2019 (ROPS 18-19). According to our review, the Agency has approximately \$47,858 from Reserve Balances available to fund enforceable obligations on the ROPS 21-22. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF funding. Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified in the amount specified below:
  - Item No. 261 – 2017 Successor Agency Senior Refunding Bonds Series A-T in the amount of \$107,191,650 is partially reclassified. Finance is approving RPTTF in the amount of \$59,119,984, Reserve Balances in the amount of \$48,017,858 (\$47,970,000 originally requested + \$47,858 additional Reserve Balances available), and Other Funds in the amount of \$53,808, totaling \$107,191,650.

Total adjustments to Item No. 261 total \$2,860,310 (\$2,908,168 - \$47,858).



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, 2018 through June 30, 2019 (ROPS 18-19) period. The ROPS 18-19 prior period adjustment (PPA) will offset the ROPS 21-22 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 \$142,407,957, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2021 through December 31, 2021 period (ROPS A period), and one distribution for the January 1, 2022 through June 30, 2022 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 21-22 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 item, Finance does not object to the remaining items listed on the ROPS 21-22. If the Agency disagrees with our determination with respect to any items on the ROPS 21-22, 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/](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 21-22. 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 21-22 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 21-22 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 Daniel Cervantes, Staff, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER  
Program Budget Manager

cc: Kevin Freimarck, Financial Analyst, City of San Jose  
Margaret Oliaya, Finance Agency Director, Santa Clara County

**Attachment**

<b>Approved RPTTF Distribution July 2021 through June 2022</b>			
	<b>ROPS A</b>	<b>ROPS B</b>	<b>Total</b>
RPTTF Requested	\$ 69,254,884	\$ 72,149,665	\$ 141,404,549
Administrative RPTTF Requested	166,332	104,469	270,801
<b>Total RPTTF Requested</b>	<b>69,421,216</b>	<b>72,254,134</b>	<b>141,675,350</b>
<b>RPTTF Requested</b>	<b>69,254,884</b>	<b>72,149,665</b>	<b>141,404,549</b>
<u>Adjustment(s)</u>			
Item No. 261	2,860,310	0	2,860,310
<b>RPTTF Authorized</b>	<b>72,115,194</b>	<b>72,149,665</b>	<b>144,264,859</b>
<b>Administrative RPTTF Authorized</b>	<b>166,332</b>	<b>104,469</b>	<b>270,801</b>
ROPS 18-19 prior period adjustment (PPA)	(2,127,703)	0	(2,127,703)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 70,153,823</b>	<b>\$ 72,254,134</b>	<b>\$ 142,407,957</b>

**Recognized Obligation Payment Schedule (ROPS 21-22) - Summary**  
**Filed for the July 1, 2021 through June 30, 2022 Period**

**Successor Agency:** San Jose

**County:** Santa Clara

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>21-22A Total (July - December)</b>	<b>21-22B Total (January - June)</b>	<b>ROPS 21-22 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	<b>\$ 48,071,666</b>	<b>\$ -</b>	<b>\$ 48,071,666</b>
B Bond Proceeds	-	-	-
C Reserve Balance	48,017,858	-	48,017,858
D Other Funds	53,808	-	53,808
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	<b>\$ 72,281,526</b>	<b>\$ 72,254,134</b>	<b>\$ 144,535,660</b>
F RPTTF	72,115,194	72,149,665	144,264,859
G Administrative RPTTF	166,332	104,469	270,801
<b>H Current Period Enforceable Obligations (A+E)</b>	<b>\$ 120,353,192</b>	<b>\$ 72,254,134</b>	<b>\$ 192,607,326</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.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

**San Jose**  
**Recognized Obligation Payment Schedule (ROPS 21-22) - ROPS Detail**  
**July 1, 2021 through June 30, 2022**

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	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$2,369,425,756		\$192,607,326	\$-	\$48,017,858	\$53,808	\$72,115,194	\$166,332	\$120,353,192	\$-	\$-	\$-	\$72,149,665	\$104,469	\$72,254,134
69	Successor Agency Bond Activities	Professional Services	01/01/2014	06/30/2023	BLX Group, LLC	Arbitrage rebate calculation services	Merged	5,000	N	\$5,000	-	-	-	5,000	-	\$5,000	-	-	-	-	-	\$-
78	Automatic Public Toilets (refer to "Notes" section)	Miscellaneous	03/20/1998	01/31/2021	JCDecaux San Francisco, LLC & Utility Companies	Rental - Seven Automatic Public Toilets	Merged	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
85	Asset Management/ Successor Agency's Lease Obligations (refer to "Notes" section)	Property Maintenance	01/01/2014	06/30/2022	Miscellaneous Vendors	Utilities, insurance and maintenance for Successor Agency Properties	Merged	1,000	N	\$1,000	-	-	-	1,000	-	\$1,000	-	-	-	-	-	\$-
138	Successor Agency operations (refer to "Notes" section)	Professional Services	07/01/2018	06/30/2023	Ross Financial	Ongoing financial advisor services on an as-needed basis	Merged	60,000	N	\$10,000	-	-	-	10,000	-	\$10,000	-	-	-	-	-	\$-
143	Successor Agency Bond Activities	Professional Services	07/01/2020	06/30/2025	Urban Analytics, LLC	Fiscal consultant services including analysis of tax increment data	Merged	92,000	N	\$23,000	-	-	-	23,000	-	\$23,000	-	-	-	-	-	\$-
144	May 2001 Amended & Restated Agreement (refer to "Notes" section)	Miscellaneous	05/22/2001	06/30/2035	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	10/01/2010	06/30/2023	Jones Hall	Legal services on an as-needed basis to support bond and administrative issues.	Merged	50,000	N	\$25,000	-	-	-	25,000	-	\$25,000	-	-	-	-	-	\$-
162	Property Disposition Costs (refer to "Notes" section)	Property Maintenance	07/01/2014	06/30/2022	Miscellaneous Vendors	Potential solicitation expenses associated with the disposition of Agency-owned	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

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	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
						properties as approved in the Successor Agency's Long Range Property Management Plan.																
245	Transfer of Asset Audit Recovery (refer to "Notes" section)	Dissolution Audits	07/01/2012	03/27/2013	State of California Controller's Office	Transfer of Asset audit recovery pursuant to Health and Safety Code 34183 (d)	Merged	-	Y	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
259	Arbitrage Rebate	Bonds Issued On or Before 12/31/10	07/01/2017	06/30/2022	Internal Revenue Service	Positive arbitrage payment	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
260	2017 Successor Agency Senior Refunding Bonds Series A	Refunding Bonds Issued After 6/27/12	12/21/2017	08/01/2035	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	136,397,375	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	08/01/2034	Wilmington Trust	This authorizes the issuance of \$264,390,000 aggregate principal amount (Tax Allocation Refunding Bonds)	Merged	1,349,396,705	N	\$107,191,650	-	48,017,858	53,808	42,818,444	-	\$90,890,110	-	-	-	16,301,540	-	\$16,301,540
262	2017 Successor Agency Subordinate Refunding Bonds Series B	Refunding Bonds Issued After 6/27/12	12/21/2017	08/01/2029	Wilmington Trust	This authorizes the issuance of \$264,390,000 aggregate principal amount (Tax Allocation Refunding Bonds)	Merged	239,295,875	N	\$31,646,625	-	-	-	27,234,125	-	\$27,234,125	-	-	-	4,412,500	-	\$4,412,500
263	Series 2017 Refunding Bonds ("Merged Area")	Fees	12/21/2017	08/01/2035	Wilmington Trust	Fiscal Agent Fees for bond administrative services	Merged	42,000	N	\$3,000	-	-	-	3,000	-	\$3,000	-	-	-	-	-	\$-

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	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 21-22 Total	ROPS 21-22A (Jul - Dec)					21-22A Total	ROPS 21-22B (Jan - Jun)					21-22B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
265	Allowable Bond Reserve- Pursuant to Health and Safety Code □34171(d)(1)(A).□	Refunding Bonds Issued After 6/27/12	12/21/ 2017	08/01/2035	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	643,815,000	N	\$49,440,000	-	-	-	-	-	\$-	-	-	-	49,440,000	-	\$49,440,000
268	Series 2017A, Series 2017A-T, Series 2017B (Merged Area)	Fees	12/21/ 2017	08/01/2035	Standard & Poor's, Fitch	Annual analytical review of Ratings Agencies	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-
269	Administrative Expenses for Successor Agency	Admin Costs	07/01/ 2020	06/30/2036	Various Vendors	Annual administrative fees for SARA operations	Merged	270,801	N	\$270,801	-	-	-	-	166,332	\$166,332	-	-	-	-	104,469	\$104,469
273	City of San Jose - KNTV Building Reimbursement	Property Maintenance	06/30/ 2014	06/30/2014	City of San Jose	Demolition of 645 Park Avenue	Merged	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

**San Jose**  
**Recognized Obligation Payment Schedule (ROPS 21-22) - Report of Cash Balances**  
**July 1, 2018 through June 30, 2019**  
(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.							
A	B	C	D	E	F	G	H
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		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	
1	Beginning Available Cash Balance (Actual 07/01/18) RPTTF amount should exclude "A" period distribution amount.		-	93,200,984	8,719,417		Reserve Balance column is amount from 17-18 Cash Balance in the RPTTF column and Retention row. Other Funds column amount is all beginning funds minus 2018 June RPTTF distribution plus outstanding checks balance printed in June but cashed in July 2018
2	Revenue/Income (Actual 06/30/19) RPTTF amount should tie to the ROPS 18-19 total distribution from the County Auditor-Controller		1,718,411,110	-	20,667,903	123,993,373	In the Bond Proceeds column, the revenue equals the bond expenses in line 3. The refunding happened in 2017-18 and DOF was given final write-up from Successor Agency in 2018. In the Other Funds column, the revenue equals all deposits from misc revenue, interest earned, and property sale from South Hall that was used to pay off the HUD loans. In the RPTTF column, the amount equals June 2018 and Jan 2019 RPTTF revenue distribution from the County.



Pursuant to Health and Safety Code section 34177 (I), 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.

A	B	C	D	E	F	G	H
	ROPS 18-19 Cash Balances (07/01/18 - 06/30/19)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		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	
3	Expenditures for ROPS 18-19 Enforceable Obligations (Actual 06/30/19)		1,717,678,502	93,153,126	20,566,109	76,485,670	All expenditures are from the PPA submitted.
4	Retention of Available Cash Balance (Actual 06/30/19) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)			-	8,767,403	45,380,000	In the Other Funds column, the amount for retention is being reserved for 20-21 ROPS. These were excess funds \$8,685,654 on the cash tab for FY17-18 approved by DOF plus outstanding checks as of June 30, 2019. In the RPTTF column, the amount is from line 265 on the PPA and reserved for Aug 2019-20 debt service. It will be carried forward as a beginning balance on the Reserve Balance column for the next cash reporting period (2019-20).
5	ROPS 18-19 RPTTF Prior Period Adjustment RPTTF amount should tie to the Agency's ROPS 18-19 PPA form submitted to the CAC		No entry required				
6	Ending Actual Available Cash Balance (06/30/19) C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$732,608	\$47,858	\$53,808	\$2,127,703	Bond Proceed Balance for 2018-19 period is not applied to 21-22 ROPS debt service.

**San Jose**  
**Recognized Obligation Payment Schedule (ROPS 21-22) - Notes**  
**July 1, 2021 through June 30, 2022**

Item #	Notes/Comments
69	Final Report for RDA 2010A Bonds
78	
85	Annual insurance estimate on Billy de Frank building
138	Services may be required to address inquiries from bondholders or regulatory agencies (SEC or IRS).
143	Annual Fiscal Report fee
144	
149	Bond legal services may be provided if there is an inquiry from a regulatory agency (SEC or IRS) related to the SARA bonds.
162	
245	
259	
260	Debt service
261	Debt service, excess funds used from 2018-19 (\$47,858+\$53,808+\$2,127,703)
262	Debt service
263	Annual fee
265	Reserve for Aug 2022 debt service payment per Indenture requirement
268	
269	Includes banking fees, auditor fee, and City staff allocated salaries
273	