



Transmitted via e-mail

April 12, 2024

Rosa Torres, Deputy Director of Finance and Administration
City and County of San Francisco
One South Van Ness Avenue, Fifth Floor
San Francisco, CA 94103

2024-25 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City and County of San Francisco Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period July 1, 2024 through June 30, 2025 (ROPS 24-25) to the California Department of Finance (Finance) on January 26, 2024. Finance has completed its review of the ROPS 24-25.

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

- Item Nos. 261 and 264 – Bond Debt Service for Tax Allocation Bonds Series 1998C and Series 1998D in the requested amounts of \$2,130,000 and \$12,575,000, respectively, are no longer needed. Finance approved the final payment for these bond service debts for the July 1, 2023 through June 30, 2024 period (ROPS 23-24 period); therefore, the total requested amounts of \$3,197,000 (\$1,005,000 and \$2,192,000 for Item Nos. 261 and 264, respectively) of Bond Proceeds and \$11,508,000 (\$1,125,000 and \$10,383,000 for Item Nos. 261 and 264, respectively) of Redevelopment Property Tax Trust Fund (RPTTF) are not needed.
- Item Nos. 389, 397, 410, 439, and 444 – Tax Allocation Bond Series MBS2014A, 2014C, 2017C, 2023A, and Community Facilities District 6 Series 2023 Bond debt service payments are partially adjusted. The Agency requested a total of \$19,721,711 (\$10,052,624 from RPTTF and \$9,669,087 from Other Funds) in error. According to the debt service schedules provided by the Agency, the amounts requested for the ROPS 24-25 period should have totaled \$16,425,689 (\$8,201,726 in RPTTF and \$8,223,963 in Other Funds). Therefore, to accurately reflect the correct debt service payments, Finance, with the Agency's concurrence, adjusted the RPTTF by \$1,850,898 from \$10,052,624 to \$8,201,726 and the Other Funds by \$1,445,124 from \$9,669,087 to \$8,223,963, as illustrated in the table on the following page:

Item No.	Item Name (Funding Source)	Requested	Adjustment	Approved
389	MBS2014C Bonds (RPTTF)	\$ 3,520,996	\$ (20,746)	\$ 3,500,250
397	2014C Bonds (RPTTF)	548,000	(101,000)	447,000
410	2017C Bonds (RPTTF)	3,442,200	(1,381,719)	2,060,481
439	2023A Bonds (RPTTF)	2,541,428	(347,433)	2,193,995
444	Community Facilities District 6 Series 2023 (Other Funds)	9,669,087	(1,445,124)	8,223,963
Totals		\$ 19,721,711	\$ (3,296,022)	\$ 16,425,689

- Item Nos. 440 and 441 – Bond Debt Services for Tax Allocation Bond Series 2023C and Series 2023D in the requested RPTTF amounts of \$2,862,420 and \$2,862,420, respectively, totaling \$5,724,840, are not allowed. It is our understanding Item Nos. 440 and 441 represent a new bond issuance intended to refund the 2016D Bonds (Item No. 402). Since the Agency has not refunded the bonds yet, the requested amounts totaling \$5,724,840 of RPTTF are not approved at this time. To the extent the 2016D Bonds are refunded prior to the next ROPS submission, the Agency may use RPTTF received for the 2016D Bonds approved under Item No. 402.

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, 2021 through June 30, 2022 (ROPS 21-22) period. The ROPS 21-22 prior period adjustment (PPA) will offset the ROPS 24-25 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 \$140,941,820, as summarized in the Approved RPTTF Distribution table (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2024 through December 31, 2024 period (ROPS A period), and one distribution for the January 1, 2025 through June 30, 2025 period (ROPS B period), based on Finance's approved amounts. Since this determination is for the entire ROPS 24-25 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Except for the adjusted items, Finance approves the remaining items listed on the ROPS 24-25 at this time. If the Agency disagrees with our determination with respect to any items on the ROPS 24-25, 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 Agency must use the RAD App to complete and submit its Meet and Confer request form. The Meet and Confer process and guidelines are available on our website:

http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 24-25. 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 24-25 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 24-25 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 RedevelopmentAdministration@dof.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Cheryl L. McCormick". The signature is written in a cursive, flowing style.

Cheryl L. McCormick, CPA
Chief, Office of State Audits and Evaluations

cc: Thor Kaslofsky, Executive Director, Office of Community Investment and
Infrastructure, City and County of San Francisco
James Whitaker, Property Tax Manager, San Francisco County
Anna Van Degna, Countywide Oversight Board Representative

Approved RPTTF Distribution July 2024 through June 2025			
	ROPS A	ROPS B	Total
RPTTF Requested	\$ 25,016,880	\$ 131,626,666	\$ 156,643,546
Administrative RPTTF Requested	3,836,977	0	3,836,977
Total RPTTF Requested	28,853,857	131,626,666	160,480,523
RPTTF Requested	25,016,880	131,626,666	156,643,546
<u>Adjustment(s)</u>			
Item No. 261	0	(1,125,000)	(1,125,000)
Item No. 264	0	(10,383,000)	(10,383,000)
Item No. 389	0	(20,746)	(20,746)
Item No. 397	0	(101,000)	(101,000)
Item No. 410	0	(1,381,719)	(1,381,719)
Item No. 439	0	(347,433)	(347,433)
Item No. 440	0	(2,862,420)	(2,862,420)
Item No. 441	0	(2,862,420)	(2,862,420)
	0	(19,083,738)	(19,083,738)
RPTTF Authorized	25,016,880	112,542,928	137,559,808
Administrative RPTTF Authorized	3,836,977	0	3,836,977
ROPS 21-22 prior period adjustment (PPA)	(454,965)	0	(454,965)
Total RPTTF Approved for Distribution	\$ 28,398,892	\$ 112,542,928	\$ 140,941,820