



April 15, 2019

Mr. Michael Antwine, Assistant City Manager  
City of Novato  
922 Machin Ave  
Novato, CA 94945

Dear Mr. Antwine:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Novato 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 made the following determinations:

- Item No. 10 – 2006 Taxable Pension Obligation Bond, Series A (2006 Bonds) in the total outstanding amount of \$708,134 is not allowed. Finance continues to deny this item. It is our understanding the City of Novato (City) issued the 2006 Bonds. No documentation was provided to support the former Redevelopment Agency (RDA) was obligated to fund a portion of the City's 2006 Bonds debt service payment. Further, the agreement for the unfunded liability is between the City and the California Public Employees' Retirement System; the RDA is not a party. Therefore, this item is not an enforceable obligation and the requested amount of \$30,807 in Redevelopment Property Tax Trust Fund (RPTTF) is not allowed.
- Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 3 includes the prior period adjustment resulting from the County Auditor-Controller's review of the prior period adjustment form submitted by the Agency, as adjusted by Finance. Specifically, Finance reduced the negative total difference reported for administrative RPTTF to zero. Therefore, a prior period adjustment of \$141 will be applied to offset the approved RPTTF amount.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, 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 of 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's maximum approved RPTTF distribution for the reporting period is \$4,460,112 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:

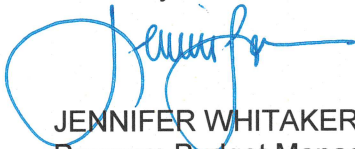
<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

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 Cindie Lor, Supervisor, or Amy Xu, Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER  
Program Budget Manager

cc: Mr. Regan Candelario, City Manager, City of Novato  
Mr. Roy Given, Director of Finance, Marin 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	\$ 2,465,992	\$ 1,932,774	\$ 4,398,766
Administrative RPTTF Requested	46,147	46,147	92,294
<b>Total RPTTF Requested</b>	<b>2,512,139</b>	<b>1,978,921</b>	<b>4,491,060</b>
RPTTF Requested	2,465,992	1,932,774	4,398,766
<u>Adjustment</u>			
Item No. 10	(30,807)	0	(30,807)
<b>RPTTF Authorized</b>	<b>2,435,185</b>	<b>1,932,774</b>	<b>4,367,959</b>
<b>Administrative RPTTF Authorized</b>	<b>46,147</b>	<b>46,147</b>	<b>92,294</b>
<b>Total RPTTF Authorized for Obligations</b>	<b>2,481,332</b>	<b>1,978,921</b>	<b>4,460,253</b>
Prior Period Adjustment	(141)	0	(141)
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 2,481,191</b>	<b>\$ 1,978,921</b>	<b>\$ 4,460,112</b>