



September 28, 2018

Ms. DeAnna Hilbrants, Deputy City Manager/Finance Director
City of Millbrae
621 Magnolia Avenue
Millbrae, CA 94030

Dear Ms. Hilbrants:

Subject: Last and Final Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34191.6 (b) the City of Millbrae submitted a Last and Final Recognized Obligation Payment Schedule (Last and Final ROPS) to the California Department of Finance (Finance) on June 20, 2018. Finance has completed its review of the Agency's Last and Final ROPS.

HSC section 34191.6 (c) authorizes Finance to make amendments or changes to the Last and Final ROPS if the changes are agreed to in writing by the Agency. The Agency has agreed in writing to the following changes made by Finance to the Agency's Last and Final ROPS:

- Item No. 7 – Field License Agreement (Agreement), outstanding obligation amount totaling \$1,260,000. According to the Agreement, the Agency is required to pay the Millbrae School District \$180,000 each year until May 16, 2023; the Agreement allows for a three-year extension. However, the parties have not executed an extension. Therefore, with concurrence from the Agency, total requested funding has been reduced by \$540,000 for May 16, 2024 through May 16, 2026; the total approved funding amount is \$720,000 (\$1,260,000 - \$540,000).
- Item No. 14 – Agency Administration. After discussion and careful reconsideration, the Agency revised the administration resources needed to successfully wind-down the Agency's remaining obligations. Therefore, Finance reduced the Administrative Cost Allowance to \$255,000 (\$765,000 - \$510,000).

Finance is approving the Agency's Last and Final ROPS with the above amendments and changes. These changes are reflected in the approved Last and Final ROPS.

The Agency's maximum approved RPTTF distribution for the Last and Final ROPS is \$9,110,098 as summarized in the Approved RPTTF Distribution table on the next page.

Approved Last and Final ROPS RPTTF Distributions							
ROPS Period	A Periods			B Periods			Annual Total
	RPTTF	Admin RPTTF	A Period Total	RPTTF	Admin RPTTF	B Period Total	
Total requested	8,363,843	765,000	9,128,843	1,031,255	0	1,031,255	\$10,160,098
Total adjustments	(540,000)	(510,000)	(1,050,000)	0	0	0	(1,050,000)
Total approved RPTTF	\$7,823,843	\$255,000	\$8,078,843	\$1,031,255	\$0	\$1,031,255	\$9,110,098
Total RPTTF approved for distribution							
ROPS 19-20	546,188	15,000	561,188	115,363	0	115,363	676,551
ROPS 20-21	551,388	15,000	566,388	109,113	0	109,113	675,501
ROPS 21-22	555,138	15,000	570,138	102,613	0	102,613	672,751
ROPS 22-23	563,638	15,000	578,638	95,738	0	95,738	674,376
ROPS 23-24	386,763	15,000	401,763	88,613	0	88,613	490,376
ROPS 24-25	399,638	15,000	414,638	80,988	0	80,988	495,626
ROPS 25-26	407,013	15,000	422,013	72,988	0	72,988	495,001
ROPS 26-27	414,013	15,000	429,013	67,963	0	67,963	496,976
ROPS 27-28	418,988	15,000	433,988	61,925	0	61,925	495,913
ROPS 28-29	422,950	15,000	437,950	55,713	0	55,713	493,663
ROPS 29-30	431,738	15,000	446,738	49,238	0	49,238	495,976
ROPS 30-31	440,263	15,000	455,263	42,500	0	42,500	497,763
ROPS 31-32	438,525	15,000	453,525	34,700	0	34,700	488,225
ROPS 32-33	445,725	15,000	460,725	26,600	0	26,600	487,325
ROPS 33-34	462,625	15,000	477,625	18,000	0	18,000	495,625
ROPS 34-35	464,025	15,000	479,025	9,200	0	9,200	488,225
ROPS 35-36	475,225	15,000	490,225	0	0	0	490,225
Total approved RPTTF	\$7,823,843	\$255,000	\$8,078,843	\$1,031,255	\$0	\$1,031,255	\$9,110,098

Please refer to the approved Last and Final ROPS schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's determination related to the enforceable obligations reported on the Last and Final ROPS. HSC section 34191.6 (c) (2) allows agencies to submit no more than two requests to amend the approved Last and Final ROPS.

ROPS distributions will occur twice annually, one distribution for the July 1 through December 31 (ROPS A period) and one distribution for the January 1 through June 30 (ROPS B period). The Agency will receive RPTTF distributions up to the maximum approved amount on the Last and Final ROPS.

The Agency shall not expend more than the amount approved for each enforceable obligation listed and approved on the Last and Final ROPS. All unspent RPTTF received for enforceable obligations by the Agency should be retained for distribution to the affected taxing entities pursuant to HSC section 34191.6 (d) (2) (G). Further, any revenues, interest, and earnings of the Agency not authorized for use pursuant to the approved Last and Final ROPS shall be remitted the County Auditor-Controller (CAC) pursuant to HSC section 34191.6 (c) (3). Pursuant to HSC section 34187 (e), once an agency has retired or paid off all enforceable obligations and all real property has been disposed of, the Agency is required to dispose of all remaining assets and remit any proceeds to the CAC for distribution to the affected taxing entities.

The amount available from the 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 Last and Final ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF. However, HSC section 34191.6 (c) (5) provides mechanisms for the Agency to pay enforceable obligations if insufficient RPTTF is available on an approved Last and Final ROPS.

HSC section 34187 (b) defines the process of final dissolution of the Agency. When all enforceable obligations have been retired or paid off, all real property has been disposed of, and all outstanding litigation has been resolved, the Agency shall, within 30 days of meeting these conditions, submit to the Oversight Board (OB) a request to formally dissolve. The OB shall approve the request within 30 days and submit the request to Finance's review.

Pursuant to HSC section 34191.6 (c), a Last and Final ROPS approved less than 15 days before the date of the RPTTF distribution shall not be effective until the subsequent RPTTF distribution period; therefore, if an agency receives a Last and Final ROPS approval after this cutoff date, the most recent annual ROPS 18-19 approval would remain effective through December 31, 2019.

Please direct inquiries to Nichelle Jackson, Supervisor, or Michael Barr, Lead Analyst, at (916) 322-2985.

Sincerely,


ERIKA LI
Program Budget Manager

cc: Mr. Tom Madalena, Deputy Director of Community Development, City of Millbrae
Ms. Shirley Tourel, Senior Internal Auditor, San Mateo County
Mr. Matthew Slaughter, Property Tax Manager, San Mateo County