



Staff Report

DISCUSSION AND DIRECTION REGARDING REDEVELOPMENT AGENCY PASS-THROUGH PAYMENTS

Honorable Chair and Board Members:

Summary

This report discusses recent developments affecting the Redevelopment Agency pass-through payments to other agencies and seeks the Agency Director's direction with regard to certain matters.

Background

The Redevelopment Agency's purpose is to eliminate blight and provide affordable housing opportunities. To accomplish this purpose, the Redevelopment Agency receives funding through property taxes collected within the Project Area. The property taxes are referred to as "tax increment". Tax increment is defined as the growth in property valuations since the establishment of the Redevelopment Agency. In Belmont's case, the Redevelopment Agency was established in 1980. In other words, increases from taxes since 1980 due to new enrollments, primarily from property sales and new construction, have been allocated to the Redevelopment Agency.

When redevelopment agencies were formed, the laws at the time subjected redevelopment agencies to entering into contractual agreements with certain other governments who would be adversely impacted by the establishment of the redevelopment agency. This resulted in Belmont entering into agreements to pass through taxes with the County of San Mateo, four overlapping school districts and the Mosquito Abatement District.

SB 211

Subsequent to the formation of the Belmont Redevelopment Agency, the Legislature passed SB 211, and a related statute AB 1290, which prescribed how redevelopment agencies pass through payments if they enact a plan amendment that extends the plan's life. Belmont was subject to SB 211 when it extended the plan life of the Redevelopment Agency for Project Area activities in 2004 for an additional 10 years. That plan life now expires in 2024.

AB 1290 further grouped these pass through payments into categories or tiers. Tier I pass through payments represent those payments that are based on negotiated contractual agreements.

For Belmont, that represents contracts originally executed back in the 80's and perhaps, as is the case with the school districts, revised since then. By contrast, Tier II pass through payments are prescribed by statute, and include all the other agencies that have taxing authority in the Project Area that were not covered by Tier I agreements.

AB 1389

A recent development affecting the Redevelopment Agency was the passage of AB 1389. AB 1389 was enacted near the end of last session as a budget trailer bill and requires redevelopment agencies to submit a report to its county auditor reporting the statutory pass-through payments made by the Redevelopment Agency between July 1, 2003 and June 30, 2008.

ERAF

As previously discussed, the Redevelopment Agency has an obligation to distribute tax increment revenues to certain local school districts pursuant to a fiscal agreement, which “passes through” a portion of the tax increment revenues. The fiscal agreement is called the “Net Revenue Agreement”.

The Net Revenue Agreement passes through 60% of the Redevelopment Agency's annual property tax increment after deducting for certain items, including the 20% housing set-aside funds, county pass through, senior debt payments on the first \$13 million in obligations and proforma administrative expenses.

Beginning in FY 2003, the State mandated that redevelopment agencies across California contribute to ERAF, as part of the strategy to balance the State's budget. In FY 2004, FY 2005, FY 2006 and, most recently again in FY 2009, the State further mandated an ERAF payment from redevelopment agencies.

Based on a legal interpretation of the pass-through agreement with the school districts, the ERAF amounts paid to the State were proportionately deducted from the pass-through payments to the school districts receiving ERAF (or subsequent property tax benefits). The school districts affected by this deduction [Belmont-Redwood Shores (the “District”), Sequoia Union High School District and the San Mateo Community College District], disputed this interpretation of the fiscal agreement. The differing interpretations of the pass-through language continue to this date; however, the Redevelopment Agency, working cooperatively with the District, have so far agreed upon a solution to the dispute over the years of ERAF deductions to the satisfaction of all the school districts.

Discussion

The balance of this report will discuss the implications of the statutes, SB 211 & AB 1389, and the Governor's ERAF payment required in FY 2009 relative to the school district pass through payments.

SB 211 & AB 1389

The Redevelopment Agency has complied with this legislation, and as a consequence, has determined that it owes \$247,727.80 to various agencies. As shown in the table below, the preponderance of pass through payments are due to related entities. \$74,984.28 is required to be paid to the City of Belmont General Fund and \$127,262.42 is due the Belmont Fire Protection District. The balance has been paid to other taxing agencies.

	<u>Total</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
		Table 2.1	Table 2.2	Table 2.3	Table 2.4
Statutory Pass Through Required:					
Free Library	\$25,824.72	\$1,999.56	\$4,340.25	\$8,330.54	\$11,154.37
City of Belmont ²	\$74,984.28	\$5,805.88	\$12,602.29	\$24,188.44	\$32,387.67
Belmont Fire District	\$124,120.39	\$9,610.39	\$20,860.39	\$40,038.77	\$53,610.84
Belmont Spec Fire Zone 1	\$3,142.03	\$368.64	\$639.49	\$0.00	\$2,133.90
Harbor Industrial Sewer District	\$41.51	\$0.82	\$14.91	\$11.97	\$13.81
Belmont Light	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Belmont Co Water District	\$4,477.11	\$367.96	\$836.06	\$1,458.33	\$1,814.76
BAAQMD	\$1,562.12	\$120.95	\$262.54	\$503.91	\$674.71
County Harbor District	\$2,635.18	\$204.04	\$442.88	\$850.06	\$1,138.20
Sequoia Hospital District	\$10,940.45	\$847.10	\$1,838.72	\$3,529.17	\$4,725.47
Total Required Pass Through	<u>\$247,727.80</u>	<u>\$19,325.33</u>	<u>\$41,837.55</u>	<u>\$78,911.19</u>	<u>\$107,653.73</u>

In the preparation of the required reporting under AB 1389, the Redevelopment Agency engaged Keyser Marston Associates (KMA) to assist in calculating the SB 211 pass through payments. KMA initially reviewed a preliminary calculation developed by the County Auditor for the Redevelopment Agency. Upon that review, KMA determined that the total pass through requirement was approximately \$123,000 less than the amount computed by the County and that elements of the Controller’s Office calculations were not consistent with the Community Redevelopment Law (CRL) and lead to an overstatement of the Redevelopment Agency’s pass through requirement.

The table that appears on the following page itemizes the differences between the two calculations.

The Redevelopment Agency’s dispute is based on complex issues, including whether pass-through payments should include a percentage of supplemental property tax revenues and excluding declines in value in certain tax rate areas. Although AB 1389 does contemplate that agencies and county auditors may have disputes over the calculation of pass-through payments, the statute, unfortunately, does not include a clear process for the resolution of these disputes. Nonetheless, staff will continue to work with the County Auditor and the State Controller to resolve the dispute

KMA issued a letter on their findings, shown as Attachment A to this report, and the Redevelopment Agency filled a Statement of Dispute with the AB 1389 report. The \$123,000 difference is being held by the Redevelopment Agency from the Tier II governmental agencies pending an outcome from the State on the merits of the dispute. The pass through payments calculated by KMA have been made prior to February 1, 2009 reporting deadline.

	Total Per KMA Calculation 04-05 to 07-08	Total Per County Calculation¹ 04-05 to 07-08	Delta
Statutory Pass Through Required:			
Free Library	\$25,824.72	\$38,330.47	\$12,505.75
City of Belmont ²	\$74,984.28	\$111,295.99	\$36,311.71
Belmont Fire District	\$124,120.39	\$184,226.63	\$60,106.23
Belmont Spec Fire Zone 1	\$3,142.03	\$8,576.11	\$5,434.08
Harbor Industrial Sewer District	\$41.51	\$57.54	\$16.03
Belmont Light	\$0.00	\$0.00	\$0.00
Belmont Co Water District	\$4,477.11	\$5,542.22	\$1,065.11
BAAQMD	\$1,562.12	\$2,318.48	\$756.36
County Harbor District	\$2,635.18	\$3,911.23	\$1,276.05
Sequoia Hospital District	\$10,940.45	\$16,238.40	\$5,297.95
Total Required Pass Through	\$247,727.80	\$370,497.07	\$122,769.27

ERAF

As described previously, the State has a long history of mandating redevelopment agencies transfer tax increment to the Education Revenue Augmentation Fund or ERAF for the benefit of school districts. Last year, the Governor signed into law a requirement that the Belmont Redevelopment Agency deposit a \$477,238 ERAF payment with the County Auditor by May 2009 as part of the FY 2009 Budget.

In the past when the State has required ERAF payments of the redevelopment agencies, the Belmont Redevelopment Agency has relied on a legal interpretation of the Net Revenue Agreement resulting in a proportionate deduction of the ERAF payment from the pass-through payments to the school districts receiving ERAF. In turn, the school districts have disputed the Redevelopment Agency's interpretation of the fiscal agreement. The differing interpretations of

the pass-through language continue to this date; however, the Redevelopment Agency, working cooperatively with the District, have in the past agreed upon a solution to the dispute over the years of ERAF deductions to the satisfaction of the school districts. The solution involves the Redevelopment Agency funding a like amount of capital projects in benefit of the RDA Project Area and its residents.

Staff is proposing the ERAF backfill solution again for FY 2009. Should the Redevelopment Agency Directors concur with this treatment, staff would engage the District in further discussions on the requirements for the capital funding with the remainder school districts. Due to limitations on the use debt proceeds associated the Redevelopment Agency’s capital project monies, the school districts would be required to provide information on the specific capital projects where the funds are intended to be used.

To put this into perspective, the following table shows the historical ERAF payments made by the Redevelopment Agency by fiscal year:

<u>Fiscal Year</u>	<u>Amount</u>
FY 2003	\$106,733
FY 2004	279,499
FY 2005	409,520
FY 2006	562,197
Total	<u>\$1,357,949</u>

The policy question raised by staff’s recommendation is whether the Redevelopment Agency Director’s agree that continued use of capital project funding, which would otherwise be directed towards economic development efforts, street improvements, building renovations, blight elimination and related capital projects, is appropriate to backfill the ERAF payment deduction to the school districts. This question is particularly relevant if the Agency Director’s believe the State accepts the Legislative Analyst Office (LAO) proposal for a permanent redirection of redevelopment agencies tax increment to ERAF.

Other Matters

The Redevelopment Agency has requested KMA determine the long term effect of having to make the additional pass through payments to the Tier II agencies on the Agency’s remaining bonding capacity for project funding. KMA’s analysis will be shared with the Agency Directors and the Finance Commission when staff brings forward the Redevelopment Agency’s bond refinancing. That will occur once the debt markets normalize after the current credit crisis passes.

General Plan/Vision Statement

No impact.

Fiscal Impact

With respect to the SB 211 pass through payments, the Redevelopment Agency has remitted \$247,727.80 to various agencies. This amount was not known to be due or appropriated in the Redevelopment Agency's FY 2009 Budget. A supplemental appropriation will be required as part of the Mid Year Review for this action. There are sufficient reserves in the Belmont Redevelopment Agency for this purpose.

The \$477,238 ERAF payment with the County Auditor due in May 2009 is funded in the Redevelopment Agency's FY 2009 Budget. However, should the Agency Director's concur with staff recommendations to backfill the ERAF payment to the school districts with capital project funding, then, like the action above, a supplemental appropriation will be required as part of the Mid Year Review.

As of the most recent reporting and after factoring in the ERAF Backfill proposal above, this will leave the Agency Director's with approximately \$4,215,000 remaining in existing bond proceeds for Redevelopment Agency capital projects.

Public Contact

Posting of City Council agenda.

Recommendation

Authorize staff to withhold the ERAF transfer from the FY 2009 pass through payments to school districts participating in the Net Revenue Sharing Agreement with the Redevelopment Agency consistent with past practice. Further, authorize payment of the ERAF backfill monies in a like amount from the Redevelopment Agency Capital Projects Fund, as the monies will be used for capital projects benefiting the RDA Project Area and its residents.

Alternatives

1. Do not withhold the ERAF transfer from the school districts. The Redevelopment Agency would be required to use cash reserves to make the required payment to the County Auditor. In the event the Redevelopment Agency could not make the payment due to insufficient funding, it could borrow from the Low and Moderate Income Fund or the City's General Fund, but would be required to pay the loan back with interest.
2. In the event the State Budget dilemma is resolved unfavorably to the Redevelopment Agency with a requirement to make permanent and substantive ongoing ERAF transfers, begin renegotiating the Net Revenue Agreement with the school districts with the objective of creating a sustainable funding model.
3. Provide alternative direction.

Attachments

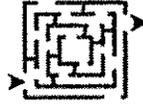
- A. Keyser Marston Associates SB 211 Findings

Respectfully submitted,

Thomas Fil
Finance Director

Jack R. Crist
Executive Director

Staff Contact:
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KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN
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REDEVELOPMENT
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ECONOMIC DEVELOPMENT

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To: Thomas Fil, Finance Director
City of Belmont

From: Jerry Keyser and David Doezema

Date: January 29, 2009

Subject: Statutory Pass Through Calculations: FY 2004-05 to FY 2007-08

Pursuant to your request, Keyser Marston Associates, Inc. (KMA) has prepared calculations of the Belmont Redevelopment Agency's statutory pass through obligations pursuant to its election under SB 211 to eliminate the debt incurrence time limit for the Los Costanos Project Area. We have also compared our calculations to revised calculations prepared by the San Mateo County Controller's office and provided to the Agency on January 28, 2009.

Summary of Pass Through Obligation

Table 1.1 summarizes the required pass through to each taxing agency for fiscal years 2004-05 through 2007-08. The total statutory pass through requirement for the four years is \$247,727.80. Of this amount, \$74,984.28 is required to be paid to the City of Belmont General Fund. The balance must be paid to other taxing agencies. The detailed computations prepared by KMA for each year are shown on Tables 2.1 to 2.4.

The requirement to make statutory pass throughs was triggered by adoption of an SB 211 amendment on May 11, 2004 by Ordinance 1000 which deleted the January 1, 2004 debt incurrence time limit for the Los Costanos Community Development Plan. Fiscal Year 2004-05 is the first year in which statutory pass throughs were required. The pass throughs are calculated based on the increase in Project Area assessed value over the "adjusted base year" assessed value in FY 2003-04 (the year the debt incurrence time limit would have taken effect, if it had not been deleted).

Taxing agencies that have a tax sharing agreement with the Agency are not eligible to receive a statutory pass through. The Agency has tax sharing agreements with the County, each of the school districts, the County Office of Education, and the mosquito abatement district.

Comparison / Review of County Calculations

Table 1.2 compares the pass through obligation per our calculations to amounts computed by the San Mateo County Controller's Office. As shown, KMA indicates a total pass through requirement that is approximately \$123,000 less than the amount computed by the County. We have identified elements of the Controller's office calculations that are not consistent with the Community Redevelopment Law (CRL) and lead to an overstatement of the Agency's pass through requirement:

1. The County has inappropriately included supplemental property tax revenues in its computations, which results in an overstatement of the Agency's pass through obligations. Section 33607.7 of the redevelopment law specifies that the statutory pass throughs are to be computed based on assessed value. However, supplemental taxes are not attributable to reported assessed value and should therefore be excluded from the calculation of pass throughs. The following is an excerpt from CRL 33607.7 : "If an agreement does not exist, the amounts required pursuant to subdivisions (b), (c), (d), and (e) of Section 33607.5, until termination of the redevelopment plan, calculated against the amount of assessed value by which the current year assessed value exceeds an adjusted base year assessed value."
2. The County's calculations over-state Project Area assessed value growth since the 2003-04 adjusted base year by excluding declines in value which occurred in certain tax rate areas. Specifically: declines in value for tax rate areas 003-003, -008, -019, -021 on the unsecured roll and tax rate areas 003-008 and 003-020 on the secured roll were omitted from the County's calculation. The declines in value in these areas should have been netted against growth in value that occurred in other areas of the Project.

For the above reasons, KMA concludes that the County's calculations over-state the Agency's pass through obligations by approximately \$123,000.

Table 1.1
Summary - KMA Calculations of Required Statutory Pass Through 2004-05 to 2007-08 ¹
Los Costanos Redevelopment Project
Belmont, CA

January 29, 2009

	<u>Total</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>
		Table 2.1	Table 2.2	Table 2.3	Table 2.4
Statutory Pass Through Required:					
Free Library	\$25,824.72	\$1,999.56	\$4,340.25	\$8,330.54	\$11,154.37
City of Belmont ²	\$74,984.28	\$5,805.88	\$12,602.29	\$24,188.44	\$32,387.67
Belmont Fire District	\$124,120.39	\$9,610.39	\$20,860.39	\$40,038.77	\$53,610.84
Belmont Spec Fire Zone 1	\$3,142.03	\$368.64	\$639.49	\$0.00	\$2,133.90
Harbor Industrial Sewer District	\$41.51	\$0.82	\$14.91	\$11.97	\$13.81
Belmont Light	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Belmont Co Water District	\$4,477.11	\$367.96	\$836.06	\$1,458.33	\$1,814.76
BAAQMD	\$1,562.12	\$120.95	\$262.54	\$503.91	\$674.71
County Harbor District	\$2,635.18	\$204.04	\$442.88	\$850.06	\$1,138.20
Sequoia Hospital District	\$10,940.45	\$847.10	\$1,838.72	\$3,529.17	\$4,725.47
Total Required Pass Through	\$247,727.80	\$19,325.33	\$41,837.55	\$78,911.19	\$107,653.73

Note:

¹ Pursuant to May 11, 2004 amendment pursuant to SB 211 to delete the January 1, 2004 debt incurrence time limit for the Los Costanos Redevelopment Project.

² On May 11, 2004, the City of Belmont adopted a resolution electing to receive a share of the statutory pass throughs.

Table 1.2

Delta - KMA vs. San Mateo County Pass Through Calculation 2004-05 to 2007-08
Los Costanos Redevelopment Project
Belmont, CA

January 29, 2009

	Total Per KMA Calculation 04-05 to 07-08	Total Per County Calculation¹ 04-05 to 07-08	Delta
Statutory Pass Through Required:			
Free Library	\$25,824.72	\$38,330.47	\$12,505.75
City of Belmont ²	\$74,984.28	\$111,295.99	\$36,311.71
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BAAQMD	\$1,562.12	\$2,318.48	\$756.36
County Harbor District	\$2,635.18	\$3,911.23	\$1,276.05
Sequoia Hospital District	\$10,940.45	\$16,238.40	\$5,297.95
Total Required Pass Through	<u>\$247,727.80</u>	<u>\$370,497.07</u>	<u>\$122,769.27</u>

Note:

¹ Summarized from Calculations prepared by the San Mateo County Controller's Office and transmitted to KMA January 28, 2009.

Table 2.1
KMA Calculation of Required Statutory Pass Through / 2004-01¹
Los Costanos Redevelopment Project
Belmont, CA

	Tax Rate Areas / Los Costanos Redevelopment Project									
	003-003	003-008	003-013	003-018	003-019	003-020	003-021	003-023	003-024	
Assessed Value²										
Adjusted Base Value: 2003-04	\$3,379,380	45,732,017	6,289,354	21,748,777	220,953,162	321,899,609	143,222,609	0	0	0
Assessed Value 2004-01	\$3,425,914	43,584,395	6,523,180	22,676,245	236,056,619	340,976,912	140,019,048	0	0	0
Incremental Growth over Adj Base	\$46,534	(2,147,622)	233,826	927,468	15,103,457	19,077,303	(3,203,561)	0	0	0
Gross Tax Increment @1%³ <i>(on AV growth above adjusted base)</i>	\$300,374.05	(\$21,476.22)	\$2,338.26	\$9,274.68	\$151,034.57	\$190,773.03	(\$32,035.61)	0	0	0
Tier 1 Statutory Pass Through @20% of gross¹	\$93.07	(\$4,295.24)	\$467.65	\$1,854.94	\$30,206.91	\$38,154.61	(\$6,407.12)	\$0.00	\$0.00	\$0.00
Allocation Factors²										
a. Entities entitled to statutory pass thru (no Tax Sharing Agm)										
Free Library	3,280,966	3,327,918	3,327,918	3,327,918	3,351,566	3,310,136	3,327,918	3,327,918	3,310,136	3,310,136
City of Belmont ⁴	9,526,639	9,662,949	9,662,949	9,662,949	9,731,561	9,611,266	9,662,949	9,662,949	9,611,266	9,611,266
Belmont Fire District	15,769,253	15,994,915	15,994,915	15,994,915	16,108,510	15,909,388	15,994,915	15,994,915	15,909,388	15,909,388
Belmont Spec Fire Zone	1,225,183	1,242,741	1,242,741	1,242,741	0,000,000	1,236,134	1,242,741	1,242,741	1,236,134	1,236,134
Harbor Industrial Sewer District	0,881,116	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000
Belmont Light	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000
Belmont Co Water District	0,528,819	0,000,000	0,000,000	0,000,000	0,541,265	0,534,575	0,000,000	0,000,000	0,534,575	0,534,575
BAAQMD	0,198,450	0,201,270	0,201,270	0,201,270	0,202,732	0,200,226	0,201,270	0,201,270	0,200,226	0,200,226
County Harbor District	0,334,705	0,339,580	0,339,580	0,339,580	0,341,997	0,337,769	0,339,580	0,339,580	0,337,769	0,337,769
Sequoia Hospital District	1,389,894	1,409,849	1,409,849	1,409,849	1,419,867	1,402,315	1,409,849	1,409,849	1,402,315	1,402,315
Subtotal	33,136,026	32,179,222	32,179,222	32,179,222	31,697,499	32,541,810	32,179,222	32,179,222	32,541,810	32,541,810
b. Entities with Tax Sharing Agreements (no statutory pass through): County, Schools, Mosquito Abatement, County Education Tax	66,863,974	67,820,778	67,820,778	67,820,778	68,302,501	67,458,190	67,820,778	67,820,778	67,458,190	67,458,190
Total	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Statutory Pass Through Payments Required (Tier 1)										
Free Library	\$1,999.56	\$15.56	\$15.56	\$61.73	\$1,012.40	\$1,262.97	(\$213.22)	\$0.00	\$0.00	\$0.00
City of Belmont ⁴	\$5,805.88	\$45.19	\$45.19	\$179.24	\$2,939.60	\$3,667.14	(\$619.12)	\$0.00	\$0.00	\$0.00
Belmont Fire District	\$9,610.39	\$74.80	\$74.80	\$296.70	\$4,865.88	\$6,070.16	(\$1,024.81)	\$0.00	\$0.00	\$0.00
Belmont Spec Fire Zone 1	\$368.64	\$5.81	\$5.81	\$23.05	\$0.00	\$471.64	(\$79.62)	\$0.00	\$0.00	\$0.00
Harbor Industrial Sewer District	\$0.82	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Belmont Light	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Belmont Co Water District	\$367.96	\$0.00	\$0.00	\$0.00	\$163.50	\$203.96	\$0.00	\$0.00	\$0.00	\$0.00
BAAQMD	\$120.95	\$0.18	\$0.18	\$3.73	\$61.24	\$76.40	(\$12.90)	\$0.00	\$0.00	\$0.00
County Harbor District	\$204.04	\$0.31	\$0.31	\$6.30	\$103.31	\$128.87	(\$21.76)	\$0.00	\$0.00	\$0.00
Sequoia Hospital District	\$847.10	\$1.29	\$1.29	\$26.15	\$428.90	\$535.05	(\$90.33)	\$0.00	\$0.00	\$0.00
Total	\$19,325.33	\$30.84	\$30.84	\$596.90	\$9,574.84	\$12,416.20	(\$2,061.76)	\$0.00	\$0.00	\$0.00

Note:
¹ Pursuant to May 11, 2004 amendment pursuant to SB 211 to delete the January 1, 2004 debt incurrence time limit for the Los Costanos Redevelopment Project.
² Assessed values and allocation factors were provided by the San Mateo County Controller's Office.
³ Excludes voter-approved over-rides in excess of the 1% levy adopted on or after January 1, 1989. Excludes supplemental taxes and other revenue not attributable to assessed value.
⁴ On May 11, 2004, the City of Belmont adopted a resolution electing to receive a share of the statutory pass throughs.

Table 2.2
KMA Calculation of Required Statutory Pass Through / 2005-06¹
Los Costanos Redevelopment Project
Belmont, CA

Assessed Value ²	Tax Rate Areas / Los Costanos Redevelopment Project									
	Total	003-003	003-008	003-013	003-018	003-019	003-020	003-021	003-023	003-024
\$763,224,908	\$3,379,380	45,732,017	6,289,354	21,748,777	220,953,162	321,899,609	143,222,609	0	0	0
\$828,369,282	\$4,225,605	32,350,665	9,892,663	23,149,730	260,156,354	359,566,119	142,028,146	0	0	0
\$65,144,374	\$946,225	(13,381,352)	603,309	1,400,953	39,203,192	37,666,510	(1,194,463)	0	0	0
\$651,443.74	\$8,462.25	(\$133,813.52)	\$6,033.09	\$14,009.53	\$392,031.92	\$376,665.10	(\$11,944.63)	0	0	0
Tier 1 Statutory Pass Through @20% of gross ¹	\$130,288.75	\$1,692.45	(\$26,762.70)	\$1,206.62	\$2,801.91	\$78,406.38	\$75,333.02	(\$2,388.93)	\$0.00	\$0.00
Allocation Factors²										
a. Entities entitled to statutory pass thru (no Tax Sharing Agr)										
Free Library	3,280,966	3,327,918	3,327,918	3,327,918	3,351,566	3,310,136	3,327,918	3,327,918	3,327,918	3,310,136
City of Belmont ⁴	9,526,639	9,662,949	9,662,949	9,662,949	9,731,561	9,611,266	9,662,949	9,662,949	9,662,949	9,611,266
Belmont Fire District	15,769,253	15,994,915	15,994,915	15,994,915	16,108,510	15,909,388	15,994,915	15,994,915	15,994,915	15,909,388
Belmont Spec Fire Zone	1,225,183	1,242,741	1,242,741	1,242,741	0,000,000	1,236,134	1,242,741	1,242,741	1,242,741	1,236,134
Harbor Industrial Sewer District	0,881,116	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000
Belmont Light	0,529,819	0,000,000	0,000,000	0,000,000	0,541,265	0,000,000	0,000,000	0,000,000	0,000,000	0,000,000
Belmont Co Water District	0,198,450	0,201,270	0,201,270	0,201,270	0,202,732	0,200,226	0,201,270	0,201,270	0,201,270	0,200,226
BAAQMD	0,347,050	0,339,580	0,339,580	0,339,580	0,341,997	0,337,769	0,339,580	0,339,580	0,339,580	0,337,769
County Harbor District	1,389,894	1,409,849	1,409,849	1,409,849	1,419,867	1,402,315	1,409,849	1,409,849	1,409,849	1,402,315
Sequoia Hospital District	33,136,026	32,179,222	32,179,222	32,179,222	31,697,499	32,541,810	32,179,222	32,179,222	32,179,222	32,541,810
Subtotal	66,863,974	67,820,778	67,820,778	67,820,778	68,302,501	67,458,190	67,820,778	67,820,778	67,820,778	67,458,190
b. Entities with Tax Sharing Agreements (no statutory pass through): County, Schools, Mosquito Abatement, County Education Tax										
Total	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Statutory Pass Through Payments Required (Tier 1):										
Free Library	\$4,340.25	\$55.53	(\$890.64)	\$40.16	\$93.25	\$2,627.84	\$2,493.63	(\$79.50)	\$0.00	\$0.00
City of Belmont ⁴	\$12,602.29	\$161.23	(\$2,586.07)	\$116.59	\$270.75	\$7,630.16	\$7,240.46	(\$230.84)	\$0.00	\$0.00
Belmont Fire District	\$20,860.39	\$266.89	(\$4,280.67)	\$193.00	\$448.16	\$12,630.10	\$11,985.02	(\$382.11)	\$0.00	\$0.00
Belmont Spec Fire Zone 1	\$639.49	\$20.74	(\$332.59)	\$15.00	\$34.82	\$0.00	\$931.22	(\$29.69)	\$0.00	\$0.00
Harbor Industrial Sewer District	\$14.91	\$14.91	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Belmont Light	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Belmont Co Water District	\$836.06	\$8.97	\$0.00	\$0.00	\$424.39	\$402.71	\$0.00	\$0.00	\$0.00	\$0.00
BAAQMD	\$262.54	\$3.36	(\$53.87)	\$2.43	\$5.64	\$158.95	\$150.84	(\$4.81)	\$0.00	\$0.00
County Harbor District	\$442.88	\$5.66	(\$90.88)	\$4.10	\$9.51	\$268.15	\$254.45	(\$8.11)	\$0.00	\$0.00
Sequoia Hospital District	\$1,838.72	\$23.52	(\$377.31)	\$17.01	\$39.50	\$1,113.27	\$1,056.41	(\$33.68)	\$0.00	\$0.00
Total	\$41,837.55	\$560.81	(\$8,612.03)	\$388.28	\$901.63	\$24,852.86	\$24,514.73	(\$768.74)	\$0.00	\$0.00

Note:
¹ Pursuant to May 11, 2004 amendment pursuant to SB 211 to delete the January 1, 2004 debt incurrence time limit for the Los Costanos Redevelopment Project.
² Assessed values and allocation factors were provided by the San Mateo County Controller's Office.
³ Excludes voter-approved over-rides in excess of the 1% levy adopted on or after January 1, 1989. Excludes supplemental taxes and other revenue not attributable to assessed value.
⁴ On May 11, 2004, the City of Belmont adopted a resolution electing to receive a share of the statutory pass throughs.

Table 2.3

KMA Calculation of Required Statutory Pass Through / 2006-07¹

Los Costanos Redevelopment Project
Belmont, CA

January 29, 2009

	Tax Rate Areas / Los Costanos Redevelopment Project									
	003-003	003-008	003-013	003-018	003-019	003-020	003-021	003-023	003-024	
Assessed Value²										
Adjusted Base Value: 2003-04	\$3,379,380	45,732,017	6,289,354	21,748,777	220,953,162	321,899,609	143,222,609	0	0	
Assessed Value 2006-07	\$4,058,755	26,735,245	6,856,275	24,652,104	282,909,125	238,355,484	148,099,550	139,293	96,539,915	
Incremental Growth over Adj Bas:	\$679,375	(18,996,772)	566,921	2,903,327	61,955,963	(23,544,125)	4,876,941	139,293	96,539,915	
Gross Tax Increment @1%³	\$6,793.75	(\$189,967.72)	\$5,669.21	\$29,033.27	\$619,559.63	(\$235,441.25)	\$48,769.41	1,393	965,399	
(on AV growth above adjusted base)										
Tier 1 Statutory Pass Through @20% of gross¹	\$1,358.75	(\$37,993.54)	\$1,133.84	\$5,806.65	\$123,911.93	(\$47,088.25)	\$9,753.88	\$278.59	\$193,079.83	
Allocation Factors²										
a. Entities entitled to statutory pass thru (no Tax Sharing Agr.)										
Free Library	3,280,966	3,327,918	3,327,918	3,327,918	3,351,566	3,310,136	3,327,918	3,327,918	3,310,136	
City of Belmont ⁴	9,526,639	9,662,949	9,662,949	9,662,949	9,731,561	9,611,266	9,662,949	9,662,949	9,611,266	
Belmont Fire District	15,769,253	15,994,915	15,994,915	15,994,915	16,108,510	15,909,388	15,994,915	15,994,915	15,909,388	
Belmont Spec Fire Zone ⁵	1,225,183	1,242,741	1,242,741	1,242,741	0.000000	1,236,134	1,242,741	1,242,741	1,236,134	
Harbor Industrial Sewer District	0.881116	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Belmont Light	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Belmont Co Water District	0.529819	0.000000	0.000000	0.000000	0.541265	0.000000	0.000000	0.000000	0.534575	
BAAQMD	0.198450	0.201270	0.201270	0.201270	0.202732	0.200226	0.201270	0.201270	0.200226	
County Harbor District	0.334705	0.339580	0.339580	0.339580	0.341997	0.337769	0.339580	0.339580	0.337769	
Sequoia Hospital District	1,389,894	1,409,849	1,409,849	1,409,849	1,419,867	1,402,315	1,409,849	1,409,849	1,402,315	
Subtotal	33,136,026	32,179,222	32,179,222	32,179,222	31,697,499	32,541,810	32,179,222	32,179,222	32,541,810	
b. Entities with Tax Sharing Agreements (no statutory pass through): County, Schools, Mesquite Abatement,	66,863,974	67,820,778	67,820,778	67,820,778	68,302,501	67,458,190	67,820,778	67,820,778	67,458,190	
County Education Tax										
Total	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	
Statutory Pass Through Payments Required (Tier 1):										
Free Library	\$8,330.54	(\$1,264.39)	\$37.73	\$193.24	\$4,152.99	(\$1,558.69)	\$324.60	\$9.27	\$6,391.21	
City of Belmont ⁶	\$24,188.44	(\$3,671.30)	\$109.56	\$561.09	\$12,058.56	(\$4,525.78)	\$942.51	\$26.92	\$18,557.42	
Belmont Fire District	\$40,038.77	(\$6,077.03)	\$181.36	\$928.77	\$19,960.37	(\$7,491.45)	\$1,560.13	\$44.56	\$30,717.82	
Belmont Spec Fire Zone ⁶	\$0.00	(\$472.16)	\$14.09	\$72.16	\$0.00	(\$582.07)	\$121.22	\$3.46	\$2,386.73	
Harbor Industrial Sewer District	\$11.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Belmont Light	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Belmont Co Water District	\$1,458.33	\$0.00	\$0.00	\$0.00	\$670.69	(\$251.72)	\$0.00	\$0.00	\$1,032.16	
BAAQMD	\$503.91	\$2.70	\$2.28	\$11.69	\$251.21	(\$94.28)	\$19.63	\$0.56	\$386.60	
County Harbor District	\$650.06	(\$129.02)	\$3.85	\$19.72	\$423.78	(\$159.05)	\$33.12	\$0.95	\$652.16	
Sequoia Hospital District	\$3,529.17	\$18.89	\$15.99	\$81.87	\$1,759.38	(\$660.33)	\$137.52	\$3.93	\$2,707.59	
Total	\$78,911.19	(\$12,226.03)	\$364.86	\$1,868.54	\$39,276.98	(\$15,323.37)	\$3,138.72	\$89.65	\$62,831.67	

Note:

- ¹ Pursuant to May 11, 2004 amendment pursuant to SB 211 to delete the January 1, 2004 debt incurrence time limit for the Los Costanos Redevelopment Project.
- ² Assessed values and allocation factors were provided by the San Mateo County Controller's Office.
- ³ Excludes voter-approved over-rides in excess of the 1% levy adopted on or after January 1, 1989. Excludes supplemental taxes and other revenue not attributable to assessed value.
- ⁴ On May 11, 2004, the City of Belmont adopted a resolution electing to receive a share of the statutory pass throughs.
- ⁵ Set as zero for 2006-07 since computed pass through is negative due to declines in assessed values for tax rate areas in which the Belmont Special Fire Zone 1 is a taxing entity.

Table 2.4
KMA Calculation of Required Statutory Pass Through / 2007-08¹
Los Costaneros Redevelopment Project
Belmont, CA

Assessed Value ²	Tax Rate Areas / Los Costaneros Redevelopment Project										
	Total	003-003	003-008	003-013	003-018	003-019	003-020	003-021	003-023	003-024	
\$763,224,908	\$3,379,380	45,732,017	6,289,354	21,748,777	220,953,162	321,899,609	143,222,609	0	0	0	
Adjusted Base Value: 2003-04	\$3,379,380	45,732,017	6,289,354	21,748,777	220,953,162	321,899,609	143,222,609	0	0	0	
Assessed Value 2007-08	\$4,162,893	26,381,280	9,628,064	25,184,665	302,112,095	313,628,994	157,031,623	522,876	95,058,288	95,058,288	
Incremental Growth over Adj Bas	\$783,513	(19,350,737)	338,710	3,435,888	81,158,933	(8,270,615)	13,809,014	522,876	95,058,288	95,058,288	
Gross Tax Increment @1%³ <i>(on AV growth above adjusted base)</i>	\$1,674,858.70	(\$193,507.37)	\$3,387.10	\$34,358.88	\$811,589.33	(\$82,706.15)	\$138,090.14	5,229	950,583	950,583	
Tier 1 Statutory Pass Through @20% of gross¹	\$334,971.74	(\$38,701.47)	\$677.42	\$6,871.78	\$162,317.87	(\$16,541.23)	\$27,618.03	\$1,045.75	\$190,116.58	\$190,116.58	
Allocation Factors²											
a. Entities entitled to statutory pass thru (no Tax Sharing Agr)											
Free Library	3.280966	3.327918	3.327918	3.327918	3.351566	3.310136	3.327918	3.327918	3.327918	3.310136	
City of Belmont ⁴	9.526639	9.662949	9.662949	9.662949	9.731561	9.611266	9.662949	9.662949	9.662949	9.611266	
Belmont Fire Distric	15.769253	15.994915	15.994915	15.994915	16.108510	15.909388	15.994915	15.994915	15.994915	15.909388	
Belmont Spec Fire Zone	1.225183	1.242741	1.242741	1.242741	0.000000	1.236134	1.242741	1.242741	1.242741	1.236134	
Harbor Industrial Sewer District	0.881116	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Belmont Ligh	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Belmont Co Water District	0.529819	0.000000	0.000000	0.000000	0.541265	0.534575	0.000000	0.000000	0.000000	0.534575	
BAAQMD	0.198450	0.201270	0.201270	0.201270	0.202732	0.200226	0.201270	0.201270	0.201270	0.200226	
County Harbor Distric	0.334705	0.339580	0.339580	0.339580	0.341997	0.337769	0.339580	0.339580	0.339580	0.337769	
Sequoia Hospital District	1.389894	1.409849	1.409849	1.409849	1.419867	1.402315	1.409849	1.409849	1.409849	1.402315	
Subtotal	33.136026	32.179222	32.179222	32.179222	31.697499	32.541810	32.179222	32.179222	32.179222	32.541810	
b. Entities with Tax Sharing Agreements (no statutory pass through): County, Schools, Mosquito Abatement, County Education Tax	66.8663974	67.820778	67.820778	67.820778	68.302501	67.458190	67.820778	67.820778	67.820778	67.458190	
Total	100.000000	100.000000	100.000000	100.000000	100.000000	100.000000	100.000000	100.000000	100.000000	100.000000	
Statutory Pass Through Payments Required (Tier 1):											
Free Library	\$11,154.37	(\$1,287.95)	\$22.54	\$228.69	\$5,440.19	(\$547.54)	\$919.11	\$34.80	\$6,293.12	\$6,293.12	
City of Belmont ⁴	\$32,387.67	(\$3,739.70)	\$65.46	\$664.02	\$15,796.06	(\$1,589.82)	\$2,668.72	\$101.05	\$18,272.61	\$18,272.61	
Belmont Fire District	\$53,610.84	(\$6,190.27)	\$108.35	\$1,099.13	\$26,146.99	(\$2,631.61)	\$4,417.48	\$167.27	\$30,246.38	\$30,246.38	
Belmont Spec Fire Zone 1	\$2,133.90	(\$480.96)	\$8.42	\$85.40	\$0.00	(\$204.47)	\$343.22	\$13.00	\$2,350.10	\$2,350.10	
Harbor Industrial Sewer District	\$13.81	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Belmont Light	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Belmont Co Water District	\$1,814.76	\$0.00	\$0.00	\$0.00	\$878.57	(\$88.43)	\$0.00	\$0.00	\$1,016.32	\$1,016.32	
BAAQMD	\$674.71	(\$77.89)	\$1.36	\$13.83	\$329.07	(\$33.12)	\$55.59	\$2.10	\$380.66	\$380.66	
County Harbor District	\$1,138.20	(\$131.42)	\$2.30	\$23.34	\$555.12	(\$55.87)	\$93.79	\$3.55	\$642.15	\$642.15	
Sequoia Hospital District	\$4,725.47	(\$545.63)	\$9.55	\$96.88	\$2,304.70	(\$231.96)	\$389.37	\$14.74	\$2,666.03	\$2,666.03	
Total	\$107,653.73	(\$12,453.83)	\$217.99	\$2,211.28	\$51,450.70	(\$5,382.82)	\$8,887.27	\$336.51	\$61,867.37	\$61,867.37	

Note:
¹ Pursuant to May 11, 2004 amendment pursuant to SB 211 to delete the January 1, 2004 debt incurrence time limit for the Los Costaneros Redevelopment Project.
² Assessed values and allocation factors were provided by the San Mateo County Controller's Office.
³ Excludes voter-approved over-rides in excess of the 1% levy adopted on or after January 1, 1989. Excludes supplemental taxes and other revenue not attributable to assessed value.
⁴ On May 11, 2004, the City of Belmont adopted a resolution electing to receive a share of the statutory pass throughs.