



November 13, 2013

Mr. Patrick O'Keefe, Interim City Manager  
City of Albany  
1000 San Pablo Avenue  
Albany, CA 94706

Dear Mr. O'Keefe:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Albany Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance) on September 30, 2013 for the period of January through June 2014. Finance has completed its review of your ROPS 13-14B, which may have included obtaining clarification for various items.

Based on our review, we are approving all of the items listed on your ROPS 13-14B at this time.

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that are required to be used prior to requesting RPTTF. Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency provided financial records that displayed available reserve balances over \$200,000.

Therefore, the funding source for the following item is being reclassified:

- Item No. 1 – Administrative and Operating Expenses in the amount of \$65,000. The Agency requests \$65,000 of Admin RPTTF. This item was determined to be an enforceable obligation for the ROPS 13-14B period. However, the obligation does not require payment from property tax revenues since the Agency has over \$200,000 in reserve funds. Therefore, Finance is approving the use of reserves in the amount of \$65,000 for Item No. 1.

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the below table does not include the prior period adjustment of \$25,620 resulting from the CAC's audit of the Agency's self-reported prior period adjustment. After the reclassification of available Reserve Funds, the current approved RPTTF is insufficient to allow for a prior period adjustment of \$25,620 during this ROPS period. The Agency should apply any remaining funds

prior to requesting RPTTF during ROPS for the period July through December 2014 (ROPS 14-15A).

Except for the item that has been reclassified, Finance is not objecting to the remaining items listed on your ROPS 13-14B. If you disagree with the determination with respect to any items on your ROPS 13-14B, you 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 at Finance's website below:

[http://www.dof.ca.gov/redevelopment/meet\\_and\\_confer/](http://www.dof.ca.gov/redevelopment/meet_and_confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is zero as summarized below:

<b>Approved RPTTF Distribution Amount For the period of January through June 2014</b>	
Total RPTTF requested for non-administrative obligations	-
Total RPTTF requested for administrative obligations	65,000
<b>Total RPTTF requested for obligations</b>	<b>\$ 65,000</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>65,000</b>
<u>Reclassified Items</u>	
Item No. 1	(65,000)
<b>Total RPTTF for administrative obligations</b>	<b>-</b>
<b>Total RPTTF approved for obligations</b>	<b>-</b>
ROPS III prior period adjustment	-
<b>Total RPTTF approved for distribution</b>	<b>\$ -</b>

Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/>.

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where funding was requested for the six month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination 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 that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the

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ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Beliz Chappuie, Supervisor or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Assistant Program Budget Manager

cc: Mr. Paul Rankin, Interim Finance Director, City of Albany  
Ms. Carol S Orth, Tax Analysis, Division Chief, Alameda County  
California State Controller's Office