



November 13, 2013

Ms. Leelee Thomas, Principal Planner
Marin County
3501 Civic Center Drive, Suite 308
San Rafael, CA 94903

Dear Ms. Thomas:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Marin County 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. However, the funding source for the following item is being reclassified to RPPTF for the reasons specified:

- Item No. 13 – 1998 GRA Revenue Bonds Series A Reserves in the amount of \$681,683. The Agency is requesting \$681,683 from the Reserve Fund on ROPS 13-14B. As noted by the Agency, this request is to reserve any excess tax increment fund balance for the bond principal payment due in September 2014. Agency first needs to request RPTTF Funding Source and then report use of reserve funds on the next ROPS. Therefore, the \$681,683 reserve request has been reclassified to RPTTF.

Based upon information provided during this review, adjustments were made to the Fund Balance form. Although these adjustments have no effect on the amount of RPTTF the Agency receives, they will affect the Agency's fund balances for the funds sources involved. The following adjustments were made:

- Revenue/Income (Actual 06/30/13) – RPTTF Non-Admin and RPTTF Admin in the amount of \$611,849 and \$84,809 should be \$677,831 and \$18,827 respectively. The Marin County Auditor-Controller (CAC) distributed RPTTF in the amount of \$696,658 to the Agency. HSC section 34183 (a) (2) requires the CAC to distribute RPTTF first to approved enforceable obligations and then, with any funds remaining, to approved administrative costs. Therefore, these amounts have been adjusted by \$65,982.

Based upon a review of the Prior Period Adjustment (PPA) form, the following adjustments have been made:

- Available RPTTF Admin (ROPS III distributed) in the amount of \$95,635 should be \$18,827. This adjustment is based on the actual distributions of RPTTF from the CAC,

taking into account the priority of payments from that distribution, as noted above. Therefore, this amount has been adjusted by \$65,982 which reduced the total Agency self-reported PPA from \$88,136 to \$77,310.

- Item No. 12 – State of California DDR Payment, Available RPTTF and actual expenditure in the amount of \$860,953. This payment should not be part of the prior period adjustment form. Therefore, those amounts have been adjusted from \$860,953 to zero.

Pursuant to HSC Section 34186 (a), successor agencies were required to report the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. The amount of RPTTF approved in the table below includes the prior period adjustment that was self-reported by the Agency. 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. Any proposed CAC adjustments were not received in time for inclusion in this letter. Therefore, the amount of RPTTF approved in the table below includes only the prior period adjustment that was self-reported by the Agency.

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/

The Agency's maximum approved RPTTF distribution for the reporting period is \$1,475,660 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	799,057
Total RPTTF requested for administrative obligations	72,250
Total RPTTF requested for obligations	\$ 871,307
Total RPTTF requested for non-administrative obligations	799,057
<u>Reclassified Items</u>	
Item No. 13	681,663
Total RPTTF approved for non-administrative obligations	1,480,720
Total RPTTF approved for administrative obligations	72,250
Total RPTTF approved for obligations	1,552,970
ROPS III prior period adjustment	(77,310)
Total RPTTF approved for distribution	\$ 1,475,660

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. Beginning with the ROPS 13-14B period, Finance required successor agencies to identify fund balances for various types of funds in its possession. During our ROPS 13-14B review, Finance requested financial records to support the fund balances reported by the Agency; however, Finance was unable to reconcile the financial records to the amounts reported. As a result, Finance will continue to

work with the Agency after the ROPS 13-14B review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15A.

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/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%2013-14B%20Forms%20by%20Successor%20Agency/).

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 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 Anna Kyumba, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Assistant Program Budget Manager

cc: Ms. Amy Brown, Accountant I, Marin County
Mr. Roy Given, Director of Finance, Marin County
California State Controller's Office