



December 17, 2013

Ms. Eva Phelps, Administrative Services Director
City of San Ramon
2226 Camino Ramon
San Ramon, CA 94583

Dear Ms. Phelps:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated October 28, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of San Ramon Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to Finance on September 13, 2013, for the period of January through June 2014. Finance issued a ROPS determination letter on October 28, 2013. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on November 12, 2013.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific items being disputed.

- Item Nos. 21 and 22 – Capital Projects/Public Improvements and Affordable Housing Projects totaling \$4,925,740 funded by 2006 Tax Allocation Bond and 2006 Housing Bond proceeds. Finance continues to partially deny these items. Our review indicates that the Agency received their Finding of Completion on May 10, 2013. During the Meet and Confer process, the Agency reduced the amounts requested for the ROPS 13-14B period to \$910,827 and \$524,842, respectively, because not all the funds originally requested would be expended during the ROPS 13-14B. In addition, the Agency provided sufficient documentation to support the estimated amount of bond proceeds needed for the ROPS 13-14B period. Therefore, to the extent the bond proceeds are available, the Agency will be permitted to expend bond proceeds totaling \$1,435,669 (\$910,827 + \$524,842) during ROPS 13-14B period in accordance with HSC section 34191.4.

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 items denied in whole or in part as enforceable obligations, Finance is not objecting to the remaining items listed on your ROPS 13-14B. The Agency's maximum approved RPTTF distribution for the reporting period is \$4,804,000 as summarized below:

Approved RPTTF Distribution Amount for the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	4,804,000
Total RPTTF requested for administrative obligations	-
Total Requested RPTTF	\$ 4,804,000
Total RPTTF approved for non-administrative obligations	4,804,000
Total RPTTF approved for administrative obligations	0
Total RPTTF approved for obligations	\$ 4,804,000
ROPS III prior period adjustment	-
Total RPTTF approved for distribution	\$ 4,804,000

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_13-14B_Forms_by_Successor_Agency/).

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 section 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.

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Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor or Danielle Brandon, Analyst, at (916) 445-1546.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Justyn Howard', with a long horizontal stroke extending to the left.

JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Marc Fontes, Economic Development Director, City of San Ramon
Mr. Bob Campbell, Auditor-Controller, Contra Costa County
California State Controller's Office