

December 17, 2014

Ms. Eileen Dalton, Deputy Director  
Alameda County  
224 West Winton Avenue, #110  
Hayward, CA 94544

Dear Ms. Dalton:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated November 11, 2014. Pursuant to Health and Safety Code (HSC) section 34177 (m), the Alameda County Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15B) to Finance on September 30, 2014, for the period of January through June 2015. Finance issued a ROPS determination letter on November 11, 2014. 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 20, 2014.

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. 25 and 31 – Property Maintenance and Real Estate Disposition totaling \$668,600. Finance no longer denies Item No. 25 and continues to deny Item No. 31. Finance initially denied these items because the Agency owned properties were approved for transfer to the County of Alameda (County) during Finance's review of the Long-Range Property Management Plan (LRPMP) and should no longer be the Agency's obligations. During the Meet and Confer process, the Agency contended that the properties have not been transferred to the County because they are currently negotiating the compensation agreements with the affected taxing entities pursuant to HSC section 34180 (f) (1). As such, the property maintenance costs requested for Item No. 25 will be required until such agreements have been reached and the properties have been transferred to the County. However, the real estate disposition costs for Item No. 31, which includes appraisals, environmental testing, engineering costs, and economic analysis costs, are not required to transfer the properties to the County. Since the Agency has already completed, submitted, and received Finance approval on their LRPMP, such costs are not needed to effectuate the transfer of these properties or to determine the value of the properties as a value has already been listed and accepted in the LRPMP. Therefore, Item No. 25 is an enforceable obligation eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding and Item No. 31 is not an enforceable obligation.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2014 period. HSC section 34186 (a) also specifies 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 table below includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment.

Except for items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 14-15B. The Agency's maximum approved RPTTF distribution for the reporting period is \$4,757,392 as summarized in the Approved RPTTF Distribution Table below:

<b>Approved RPTTF Distribution For the period of January through June 2015</b>	
Total RPTTF requested for non-administrative obligations	5,348,971
Total RPTTF requested for administrative obligations	160,469
<b>Total RPTTF requested for obligations on ROPS</b>	<b>\$ 5,509,440</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>5,348,971</b>
<u>Denied Item</u>	
Item No. 31	(125,000)
	(125,000)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 5,223,971</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>160,469</b>
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 160,469</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 5,384,440</b>
ROPS 13-14B prior period adjustment	(627,048)
<b>Total RPTTF approved for distribution</b>	<b>\$ 4,757,392</b>

Please refer to the ROPS 14-15B schedule that was used to calculate the approved RPTTF amount:

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

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2015. This determination only applies 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 the 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 agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if for whatever reason the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

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 Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Acting Program Budget Manager

cc: Ms. Marita Hawryluk, Assistant Deputy Director, Alameda County  
Ms. Carol S. Orth, Tax Analysis, Division Chief, Alameda County  
California State Controller's Office