



November 12, 2015

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

Dear Ms. Dalton:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m) (1) (A), the Alameda County Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period January 1 through June 30, 2016 (ROPS 15-16B) to the California Department of Finance (Finance) on October 2, 2015. Finance has completed its review of the ROPS 15-16B.

Based on a sample of line items reviewed and application of the law, Finance made the following determination:

Claimed administrative costs exceed the allowance by \$40,143. HSC section 34171 (b) (2) limits the fiscal year 2015-16 administrative expenses to three percent of the Redevelopment Property Tax Trust Fund (RPTTF) allocated or \$250,000, whichever is greater. The Alameda County Auditor-Controller distributed \$125,000 administrative costs for the July through December ROPS 15-16A period, thus leaving a balance of \$177,323 available for the January through June ROPS 15-16B period. Although \$217,466 is claimed for administrative cost, only \$177,323 is available pursuant to the cap. Therefore, \$40,143 of excess administrative cost is not allowed.

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). 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 the item denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 15-16B. If you disagree with Finance's determination with respect to any items on your ROPS 15-16B, except for those items which are the subject of litigation disputing Finance's previous or related determinations, 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 \$7,313,531 as summarized in the Approved RPTTF Distribution table below:

Approved RPTTF Distribution	
For the period of January through June 2016	
Total RPTTF requested for non-administrative obligations	7,248,892
Total RPTTF requested for administrative obligations	217,466
Total RPTTF requested for obligations on ROPS 15-16B	\$ 7,466,358
Total RPTTF requested for non-administrative obligations	7,248,892
Total RPTTF authorized for non-administrative obligations	\$ 7,248,892
Total RPTTF requested for administrative obligations	217,466
Administrative costs in excess of the cap (see Admin Cost Cap table below)	(40,143)
Total RPTTF authorized for administrative obligations	\$ 177,323
Total RPTTF authorized for obligations	\$ 7,426,215
ROPS 14-15B prior period adjustment	(112,684)
Total RPTTF approved for distribution	\$ 7,313,531

Administrative Cost Cap Calculation	
Total RPTTF for 15-16A (July through December 2015)	2,828,531
Total RPTTF for 15-16B (January through June 2016)	7,248,892
Total RPTTF for fiscal year 2015-2016	10,077,423
Administrative cost cap for fiscal year 2015-16 (Greater of 3% of Total RPTTF or \$250,000)	302,323
Administrative allowance for ROPS 15-16A (July through December 2015)	(125,000)
Remaining administrative cost cap for ROPS 15-16B	177,323
ROPS 15-16B administrative obligations after Finance adjustments	(217,466)
Administrative costs in excess of the cap	\$ (40,143)

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (l) (1) (E) requires these balances be used prior to requesting RPTTF.

Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

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

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, 2016. This determination only applies to items when 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 ROPS periods. All items listed on a future ROPS are subject to review and may be

denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution statutes. 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.

Please direct inquiries to Cindie Lor, Supervisor, or Medy Lamorena, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Ms. Marita Hawryluk, Assistant Deputy Director, Alameda County
Ms. Carol S. Orth, Tax Analysis, Division Chief, Alameda County