



December 17, 2015

Mr. John Montagh, Economic Development and Housing Manager  
City of Concord  
1950 Parkside Drive  
Concord, CA 94519

Dear Mr. Montagh:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated November 16, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Concord Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16B) to Finance on October 2, 2015, for the period of January 1 through June 30, 2016. Finance issued a ROPS determination letter on November 16, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on November 24, 2015.

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 determination being disputed.

Finance previously determined the Agency's Administrative Cost Allowance totaling \$125,000 exceeded the Administrative Cost Allowance (ACA) by \$75,000. Pursuant to HSC section 34171 (b) (2), the Agency is authorized to receive \$250,000 for administrative costs for the ROPS 15-16A and ROPS 15-16B periods. The County of Contra Costa Auditor-Controller (CAC) initially reported distributing \$200,000 for administrative expenses for the July through December 2015 (ROPS 15-16A) period, leaving a balance of \$50,000 available for the January through June 2016 period. However, during the Meet and Confer process, the CAC confirmed the actual amount distributed for administrative costs for ROPS 15-16A was \$125,000, not \$200,000 as previously reported. Therefore, the Agency's request for \$125,000 for administrative costs in the ROPS 15-16B period is allowed.

In addition, per Finance's letter dated November 16, 2015, 2015, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

- Item No. 9 – Property Assessments in the amount of \$27,079 are not allowed. It is our understanding the Agency is requesting funding for fiscal year 2015-16 Special Assessments. However, Finance approved \$28,195 for this item in ROPS 15-16A. To

the extent the Agency can provide documentation to support the increase in the 2015-16 special assessments, the Agency may be able to obtain funding on a future ROPS. Therefore, this item is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding at this time.

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 CAC. Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below only reflects the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 15-16B. The Agency's maximum approved RPTTF distribution for the reporting period is \$6,120,471 as summarized in the Approved RPTTF Distribution table below:

<b>Approved RPTTF Distribution For the period of January through June 2016</b>	
Total RPTTF requested for non-administrative obligations	6,350,720
Total RPTTF requested for administrative obligations	125,000
<b>Total RPTTF requested for obligations on ROPS 15-16B</b>	<b>\$ 6,475,720</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>6,350,720</b>
<u>Denied Item</u>	
Item No. 9	(27,079)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 6,323,641</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>125,000</b>
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 125,000</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 6,448,641</b>
ROPS 14-15B prior period adjustment	(328,170)
<b>Total RPTTF approved for distribution</b>	<b>\$ 6,120,471</b>

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>

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 Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Suzanne McDonald, Interim Finance Operations Manager, City of Concord  
Mr. Bob Campbell, Auditor-Controller, Contra Costa County