



April 12, 2016

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

Dear Ms. Dalton:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the Alameda County Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule for the period July 1, 2016 through June 30, 2017 (ROPS 16-17) to the California Department of Finance (Finance) on February 1, 2016. Finance has completed its review of the ROPS 16-17.

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

Item No. 43 – Gateway signage fabrication in the total outstanding amount of \$30,000 is not allowed. According to the Agency, this item relates to an amount that was returned to the Agency by a third party who did not install the required signage prior to completing their overall construction project. The Agency contends the amount was not separately accounted for and commingled with redevelopment tax increment funds that were subsequently swept and remitted to the Alameda County-Auditor Controller (CAC) during the Due Diligence Review (DDR) process. The Agency is now in the position to install the sign and is asking Finance to return these funds.

Our review of an agreement between former redevelopment agency and BFK Engineers, dated May 22, 2007, (Agreement) indicates that installation of signage was included in the Castro Valley Boulevard Streetscape project. However, according to an Assignment and Assumption Agreement between the Agency, the County of Alameda, and BFK Engineers, dated July 30, 2013, the Agency assigned and transferred all rights and obligations in the Agreement to the County. Furthermore, documentation provided did not support that the amount should have been retained by the Agency during the DDR reviews because it was “legally restricted”. Therefore, this item is not an enforceable obligation of the Agency and the requested amount of \$30,000 from Other Funds is not allowed.

Except for the item denied in whole, Finance is not objecting to the remaining items listed on your ROPS 16-17. If you disagree with Finance’s determination with respect to any items on your ROPS 16-17, 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/

On the ROPS 16-17 form, the Agency reported cash balances and activity for the period of July 1, 2015 through June 30, 2016. Finance performs a review of the Agency's self-reported cash balances on an ongoing basis. 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 enforceable obligations, HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF.

The Agency's maximum approved RPTTF distribution for the reporting period is \$5,369,923 as summarized in the Approved RPTTF Distribution Table on Page 4 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the July 1, 2016 through December 31, 2016 (ROPS A period), and one distribution for the January 1, 2017 through June 30, 2017 (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 16-17 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 16-17 form, the Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through December 31, 2015 period (ROPS 15-16A). The Agency will report actual payments for ROPS 15-16A and ROPS 15-16B on the ROPS 18-19 form pursuant to HSC section 34186 (a) (1). A prior period adjustment will be applied to the Agency's future RPTTF distribution. Therefore, the Agency should retain any difference in unexpended RPTTF.

Please refer to the ROPS 16-17 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 determination related to the enforceable obligations reported on your ROPS for the period July 1, 2016 through June 30, 2017. This determination only applies to items when funding was requested for the 12-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.

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Please direct inquiries to Cindie Lor, Supervisor, or Anna Kyumba, 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

Attachment

Approved RPTTF Distribution			
For the period of July 2016 through June 2017			
	ROPS A Period	ROPS B Period	Total
Requested RPTTF (excluding administrative obligations)	\$ 2,887,000	\$ 2,199,650	\$ 5,086,650
Requested Administrative RPTTF	141,637	141,636	\$ 283,273
Total Requested RPTTF on ROPS 16-17	\$ 3,028,637	\$ 2,341,286	\$ 5,369,923
Total RPTTF authorized	2,887,000	2,199,650	\$ 5,086,650
Total Administrative RPTTF authorized	141,637	141,636	\$ 283,273
Total RPTTF approved for distribution	3,028,637	2,341,286	\$ 5,369,923

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