



April 13, 2016

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

Dear Ms. Phelps:

Subject: 2016-17 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of San Ramon 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 January 29, 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 determinations:

- Item No. 24 – Property Disposition Costs (Appraisals and Brokerage Fees) totaling \$100,000 have been adjusted. The Agency originally requested funding from the following sources, and in the amounts specified below, for this item:

Reserve Balances	\$ 40,383
Other Funds	184
Redevelopment Property Tax Trust Funds (RPTTF)	59,433
<b>Total</b>	<b>\$ 100,000</b>

The Agency has available Reserve Balances totaling \$40,383; therefore, funding for appraisals in the amount of \$4,500, from Reserve Balances, is allowed. The remaining Reserve Balances of \$35,883 is used to fund Item No. 27 as described below.

However, as Finance determined in the Oversight Board Resolution No. 2016-02 letter, dated March 15, 2016, brokerage fees are to be paid for by the proceeds from the sale of properties; therefore, the remaining request for funding from Reserve Balances in the amount of \$35,883 and RPTTF in the amount of \$59,433 have been reclassified to Other Funds to reflect the proper funding source for this item.

In summary, Finance approves \$4,500 from Reserve Balances and \$95,500 from Other Funds, totaling \$100,000.

- Item No. 27 – 2015 Tax Allocation Refunding Bonds in the amount of \$2,727,744 has been reclassified. The Agency requests \$2,727,744 of RPTTF; however, Finance is reclassifying \$35,883 to Reserve Balances. This item is an enforceable obligation for the ROPS 16-17 period. However, the obligation does not require payment from

property tax revenues and the Agency has \$35,883 in available Reserve Balances due to Finance's adjustments related to Item No. 24, as previously itemized. Therefore, Finance is approving RPTTF in the amount of \$2,691,861 and the use of Reserve Balances in the amount of \$35,883, totaling \$2,727,744 for the July 1, 2016 through December 31, 2016 period (ROPS A period).

Finance notes the Agency will keep the funds for debt service in its Redevelopment Obligation Retirement Fund (RORF). Pursuant to HSC section 34183 (a) (2) (A), debt service payments have first priority for payment from distributed RPTTF funding. As such, the \$2,727,744 requested to be held in reserve must be transferred upon receipt to the bond trustee. The amounts approved for debt service payments on this ROPS are restricted for that purpose and are not authorized for other ROPS items. Finance has changed the description in the Payee column of the ROPS from "Reserve for bond payments held in the RORF of the Agency" to "Reserve for bond payments held with the bond trustee."

Except for the items denied in whole or in part or the item that has been adjusted, 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/](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 \$2,956,861 as summarized in the Approved RPTTF Distribution Table on Page 4 (See Attachment).

ROPS distributions will occur twice annually, one distribution for the 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:

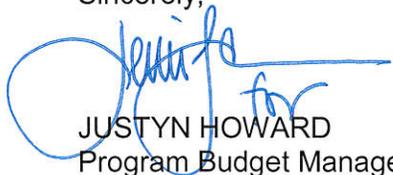
<http://www.dof.ca.gov/redevelopment/ROPS>

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.

Please direct inquiries to Nichelle Thomas, Supervisor, or Alexander Watt, Lead Analyst at (916) 445-1546.

Sincerely,

  
JUSTYN HOWARD  
Program Budget Manager

cc: Mr. David Doezema, Consultant to Successor Agency, City of San Ramon  
Mr. Bob Campbell, Auditor-Controller, Contra Costa County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2016 through June 2017</b>			
	<u>ROPS A Period</u>	<u>ROPS B Period</u>	<u>Total</u>
Requested RPTTF (excluding administrative obligations)	\$ 2,787,177	\$ 15,000	\$ 2,802,177
Requested Administrative RPTTF	125,000	125,000	250,000
<b>Total RPTTF requested for obligations on ROPS 16-17</b>	<b>2,912,177</b>	<b>140,000</b>	<b>\$ 3,052,177</b>
<b>Total RPTTF requested</b>	<b>2,787,177</b>	<b>15,000</b>	<b>2,802,177</b>
<u>Reclassified Items</u>			
Item No. 24	(59,433)	0	(59,433)
Item No. 27	(35,883)	0	(35,883)
<b>Total RPTTF authorized</b>	<b>2,691,861</b>	<b>15,000</b>	<b>\$ 2,706,861</b>
<b>Total Administrative RPTTF authorized</b>	<b>125,000</b>	<b>125,000</b>	<b>\$ 250,000</b>
<b>Total RPTTF approved for distribution</b>	<b>2,816,861</b>	<b>140,000</b>	<b>\$ 2,956,861</b>