



CITY OF EAST PALO ALTO

April 27, 2012

Mark Hill
Program Budget Manager
Department of Finance
915 L Street
Sacramento, CA 95814-3706

Re: East Palo Alto ROPS

Dear Mr. Hill:

The City of East Palo Alto received your letter dated April 20, 2012 regarding the Recognized Obligation Payment Schedule submitted by the City of East Palo Alto Successor Agency. As your letter indicates, the City transmitted the Recognized Obligations Payment Schedule as approved by the Oversight Board to the Department of Finance on April 16, 2012. Pursuant to Health and Safety Code Section 34179(h), the Department of Finance may review any oversight board action within three business days. As your letter indicates, the approved ROPS was submitted to your office on April 16th and your letter rejecting the ROPS was sent on April 20th, one day past the three day time period set forth in the Dissolution Statute. The letter sent states that Finance staff contacted my office about the ROPS prior to sending the letter, but in a phone conversation that I had with Robert Scott, he acknowledged that no one from the Department made any contact with my office during the three business days after submission of the ROPS. Nor did any Department of Finance personnel contact any other City employee, including the designated contact for the Oversight Board, during the three-day period following submission of our ROPS.

Mr. Scott, in our conversation, stated that despite the fact that the Department had missed the deadline for requesting review of the ROPS, we were required to resubmit our ROPS with specific amounts indicated for each funding source in order for the City to have an approved ROPS. Based on AB 1x 26, the Department of Finance's time for review passed without the Department providing any notice to the Successor Agency of their intent to review items. Therefore, the City of East Palo Alto, acting as Successor Agency, has a fully approved ROPS by operation of law and all requirements of the statute have been met.

However, as a courtesy to the Department we are attaching to this letter a ROPS indicating the specific amounts for particular funding sources for informational purposes only. Since the Department failed to request review of any items on the submitted ROPS within the required three day period, we are proceeding with the approved ROPS and expecting payments from the Redevelopment Property Tax Trust Fund will be disbursed to the Successor Agency for those identified as being funded from the Trust Fund.

April 27, 2012
Page 2

Please feel free to call me if you have any questions.

Sincerely,



Edmund Suen

Enclosure

cc: San Mateo County Auditor Controller
East Palo Alto Oversight Board
Mayor and City Council
Ronald Davis, Interim City Manager

APPROVED RECOGNIZED OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34169 (h) and 34177
 January 1, 2012 to June 30, 2012

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year 2011-2012	Source	ESTIMATED PAYMENT OBLIGATIONS JANUARY THROUGH JUNE, 2012						Estimated Payments 1/2012 to 6/2012
							January	February	March	April	May	June	
1) Advances from Developers	G	TMG/MFP RWD Palms LLC	University Palms Advance	18,525.00	18,525.00	G				9,262.50	9,262.50		\$ 18,525.00
2) Advances from Developers	G	Clarum/4 Corners LLC	Four Corners	8,496.00	8,496.00	G					4,248.00	4,248.00	\$ 8,496.00
3) Advances from Developers	R	Tulsa West Corporation	Tara Road Project	21,376.00	21,376.00	G				10,688.00		10,688.00	\$ 21,376.00
4) Advances from Developers	R	Olson Urban Housing LLC	Clarke - Weeks Street	15,905.00	15,905.00	G				7,952.50		7,952.50	\$ 15,905.00
5) Advances from Developers	R	DKB Homes LLC	Byrd/DKB Homes Bay at Pulgas	9,811.00	9,811.00	G	1,078.00			4,366.50		4,366.50	\$ 9,811.00
6) Advances from Developers	R	J & R Condominium	Condominium Development	21,437.00	21,437.00	G				10,718.50		10,718.50	\$ 21,437.00
7) Advances from Developers	G	Barry Swenson Builder	4 Corners Supermarket	25,000.00	25,000.00	G				12,500.00		12,500.00	\$ 25,000.00
8) Advances from Developers	G	For the Future Housing, Inc.	PAD D SRO	9,581.00	9,581.00	G	9,581.00						\$ 9,581.00
9) Deposits	G	EPA Can Do LLC	Title Deposit in Gateway Project Area	5,000.00	5,000.00	G					5,000.00		\$ 5,000.00
10) Accrued Sick Leave	G,UC,R	Agency Employees	Accrued Sick Leave for Agency Employees	38,480.00	38,480.00	A				38,480.00			\$ 38,480.00
11) Accrued Vacation	G,UC,R	Agency Employees	Accrued Vacation for Agency Employees	53,085.00	45,085.00	A				45,085.00			\$ 45,085.00
12) Repayment Agreement (06/1989)	R	City of East Palo Alto	Loan for Operating Advances	7,007,267.00	1,075,145.00	A	1,075,145.00						\$ 1,075,145.00
13) Repayment Agreement (06/1989)	G,UC,R	City of East Palo Alto	Infrastructure Improvements	36,208,712.00	0.00	A							\$ -
13a) Bay Street Infrastructure Improvements	G,UC,R	City of East Palo Alto	Local match for Bay Street Infrastructure Improvements	2,376,000.00	475,200.00	A				158,400.00	158,400.00	158,400.00	\$ 475,200.00
13b) Bay Street Infrastructure Improvements	G,UC,R	City of East Palo Alto	Federal Earmark Grant for Bay Street Infrastructure Improvements	9,503,000.00	0.00	F							\$ -
14) Repayment Agreement (02/1995)	G	City of East Palo Alto	Debt for Land Sold to Agency	6,225,091.00	188,639.00	A	188,639.00						\$ 188,639.00
15) 2003 Tax Allocation Refunding Bonds, Series A	G,UC	Wells Fargo Bank Trust	Partial refunding of 1999 TABS	9,960,975.00	264,450.00	A			124,575.00				\$ 124,575.00
16) 2003 Tax Allocation Refunding Bonds, Series B	G,UC	Wells Fargo Bank Trust	Partial refunding of 1999 TABS: housing portion	5,812,431.00	265,205.00	B			96,654.00				\$ 96,654.00
17) 2005 Revenue Bonds, Series A	G,UC	Wells Fargo Bank Trust	Refunding of 1999 TABS	26,679,284.00	1,416,424.00	A			490,285.00				\$ 490,285.00
18) Owner Participation Agreement	R	Olson Property Agreement	RR Spur Trail Remediation Development	100,000.00	100,000.00	A				100,000.00			\$ 100,000.00
19) Operating Subsidy Loan	R	Bay Road Housing LP	Courtyard Affordable Housing	900,000.00	60,000.00	B				60,000.00			\$ 60,000.00
20) Cooley Landing Park Project	R	City of East Palo Alto	EPA - Federal Grant	200,000.00	200,000.00	F			50,000.00	50,000.00	50,000.00	50,000.00	\$ 200,000.00
21) Cooley Landing Park Project	R	City of East Palo Alto	Mid Peninsula Open Space -EPA Grant	400,000.00	400,000.00	F			100,000.00	100,000.00	100,000.00	100,000.00	\$ 400,000.00
22) Cooley Landing Park Project	R	Callendar Associates	Dept. Toxic Substance Control- Grant	150,000.00	150,000.00	F			37,500.00	37,500.00	37,500.00	37,500.00	\$ 150,000.00
23) Cooley Landing Park Project	R	Harris & Associates	Dept. Toxic Substance Control- Grant	50,000.00	50,000.00	F			12,500.00	12,500.00	12,500.00	12,500.00	\$ 50,000.00
24) University Circle Project	UC	City of East Palo Alto	Liability for Emergency Water Connection	350,000.00	0.00	A							\$ -
25)													\$ -
26) G101 Property Management	G	Coldwell Banker Commercial	Pro Rata Share of G101 Property Mgmt	2,604.00	2,604.00	A	2,604.00						\$ 2,604.00
27) Small Business Technical Assistance	G,UC,R	Renaissance Center	Small Business Technical Assistance	15,000.00	15,000.00	A	15,000.00						\$ 15,000.00
28) Bank Charges for Bond Trustee Mgmt	G,UC	Wells Fargo Bank Trust	Trustee Administrative charges	158,750.00	6,600.00	A				1,300.00			\$ 1,300.00
29) Regulatory Audit	G,UC,R	Audit Financial Statements	Maze & Associates /TBD	9,559.00	9,559.00	A	282.00		1,276.00				\$ 1,558.00
30) Employee Costs for project implementation activities	G,UC,R	Employees of Agency	Payroll and Payroll-related Costs	368,138.00	368,138.00	A	40,095.00	25,633.00	25,633.00	21,030.00	21,030.00	21,030.00	\$ 154,451.00
31) Employee Costs	G,UC,R	Employees of Agency	Staff Training	6,440.00	6,440.00	A							\$ -
32) Employee Costs	G,UC,R	Employees of Agency	Dues and Memberships	9,620.00	9,620.00	A	4,620.00						\$ 4,620.00
33) RDA Administrative Support Costs	G,UC,R	City of East Palo Alto	Management and Finance staff support	190,167.00	190,167.00	A	27,167.00						\$ 27,167.00
34) RDA Admin Expenses - Legal	G,UC,R	Goldfarb & Lipman	Administrative Legal Expenses	138,628.00	138,628.00	A	51,364.00						\$ 51,364.00
35) RDA Admin Expenses - Office	G,UC,R	Various	Supplies, Printing, Phones, Utilities etc.	68,100.00	68,100.00	A	3,175.00						\$ 3,175.00
36) Preservation of Affordability covenants for BMR	G	Maria Lopez-Love	Preservation of Affordability covenants for BMR	9,929.00	9,929.00	B	9,929.00						\$ 9,929.00
Source: (A) Redevelopment Property Tax Trust Fund				Totals - This Page	\$ 107,126,391.00	\$ 5,688,544.00	\$ 1,428,679.00	\$ 25,633.00	\$ 938,423.00	\$ 537,924.00	\$ 544,166.00	\$ 425,537.00	\$ 3,900,362.00
(B) Low/Mod Income Housing Fund				Totals - Page 2	\$ 2,493,924.00	\$ 2,743,924.00	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 1,298,445.00	\$ 1,498,445.00
(C) Bonds Proceeds													
(D) Agency Reserve Balances													
(E) Administrative Cost Allowance													
(F) Grants													
(G) Developer Deposits in Agency Cash													
(H) Other sources, rents , interest etc.													
Grand total - All Pages				\$ 109,620,315.00	\$ 8,432,468.00	\$ 1,428,679.00	\$ 75,633.00	\$ 988,423.00	\$ 587,924.00	\$ 594,166.00	\$ 1,723,982.00	\$ 5,398,807.00	

