



REVISED

August 26, 2016

Ms. Dawn Merchant, Finance Director  
City of Antioch  
P.O. Box 5007  
Antioch, CA 94531-5007

Dear Ms. Merchant,

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated May 11, 2012. A revision is necessary to comply with peremptory writ of mandate issued in Sacramento County Superior Court Case No. 34-2015-80002092.

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Antioch Successor Agency submitted a ROPS to the California Department of Finance (Finance) on May 2, 2012 for the period January through June 2012 and July through December 2012. Finance staff contacted you for clarification of items listed in the ROPS. Finance has completed its review of the specific determination being disputed.

Item 8, page 1 period January through June 2012 and Item 7, page 1 period July through December 2012 is a loan modification with total outstanding obligation of \$4.5 million and \$250,000 requested for payment on January 2012. Finance no longer denies this item as an enforceable obligation because it is not in writing and was never executed. However, the total outstanding obligation as listed by the Agency is incorrect and Finance denies \$62,500 of the requested amount for January 2012, and approves \$187,500. The Agency requested \$250,000 in payments purportedly required by the 2002 loan modification conditions to amend a loan agreement between the California Department of Boating and Waterways (DBW), the City of Antioch (City), and the former Redevelopment Agency of the City of Antioch (former RDA). However, as more specifically described in our August 26, 2016 Revised Other Funds and Accounts Due Diligence Review determination letter, the total debt owed by the former RDA under the loan modification was only \$2,500,000, not \$4.5 million. Additionally, as of January 2012 the former RDA was only required to make a payment of \$187,500 to the City. This amount is derived from the regularly scheduled quarterly payment due in January 2012 combined with two past due quarterly payments for July 2011 and October 2011. As a result, only \$187,500 is approved.

Since the ROPS I distribution has already been distributed; the Agency should add a new line item on the upcoming ROPS for the period July 1, 2017 through June 30, 2018 (ROPS 17-18) to request the \$187,500. As stated in our August 26, 2016 Revised Other Funds and Accounts Due Diligence Review determination letter, this \$187,500 request is part of the \$250,000 adjustment approved to be listed on the ROPS 17-18, and the total

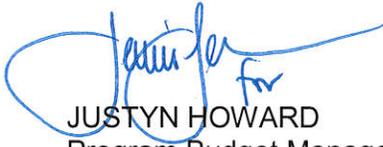
request should not exceed \$250,000. Additionally, to the extent the Agency has past-due unpaid regularly scheduled payments required under the loan modification, the Agency may request funding for these past due amounts on the original ROPS line item for this obligation, however, such request cannot result in total payments for this obligation exceeding \$2,500,000.

HSC section 34171 (d) lists enforceable obligation characteristics. As stated in our May 11, 2012 ROPS I letter, the following determination still applies:

Item 5, page 1, period January through June 2012 and item 5, page 1, period July through December 2012 is a repayment for housing fund for \$3.5 million. The repayment is for deferred amounts, not a loan with the Low and Moderate Income Housing Fund. This requirement ended with the passing of the redevelopment dissolution legislation.

Please direct inquiries to Cindie Lor, Supervisor or Jeremy Bunting, Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Steve Duran, City Manager, City of Antioch  
Mr. Bob Campbell, Auditor-Controller, Contra Costa County