



September 21, 2012

Mr. Mark Evanoff, Redevelopment Manager
City of Union City
34009 Alvarado-Niles Road
Union City, CA 94587

Dear Mr. Evanoff:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Union City Successor Agency (Agency) submitted two Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on August 8, 2012 for the periods of January through June 2013 (ROPS III) and July through December 2013 (ROPS IV). Finance has completed its review of your ROPS III, which may have included obtaining clarification for various items.

HSC section 34171 (d) defines enforceable obligations. Based on a sample of line items reviewed and application of the law, the following do not qualify as enforceable obligations:

January through June 2013 ROPS

- HSC section 34163 (b) prohibits a redevelopment agency (RDA) from entering into a contract with any entity after June 27, 2011. Therefore, the following items are not enforceable obligations:
 - Item No. 8 – East-West Connector for \$17 million of bond funds. Documentation provided was not sufficient to demonstrate that the former RDA was in a contract with the payee, Alameda County Transportation Commission.
 - Item Nos. 21 and 22 – Blight Removal in the amount of \$384,998. Documentation provided was not sufficient to demonstrate that this item is a former RDA's obligation. The contract provided for this item is between the City of Union City (City) and the vendor. Therefore, these items are not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
 - Item Nos. 53 and 55 through 58 – Enforceable Obligations to Public Agencies for \$0. The grants executed for items 53 and 55 through 57 are with the City and not the former RDA. Additionally, the grant awarded to the RDA for item 58 was signed on January 24, 2012.
 - Item No. 61 – County Rehabilitation Grant Program for \$800,000 of bond funds. The Successor Agency approved \$800,000 bond funds for housing rehabilitation and

new affordable housing construction projects on July 10, 2012. Furthermore, there were no third party contracts provided for the commitment of these funds.

- o Item No. 62 – Emergency Vehicle Access for MidPen for \$1.2 million of bond funds. The contract was signed on July 18, 2011 and does not identify the RDA as a party to the contract.
- Item No. 9 – Tropics Rental Assistance Program in the amount of \$1.6 million. The grant agreement was amended on June 28, 2011. HSC section 34163 (c) prohibits a redevelopment agency from amending or modifying existing agreements, obligations, or commitments with any entity for any purpose after June 27, 2011. Therefore, this item is not eligible for RPTTF funding.
- Item Nos. 11 through 13 – BART Phase 2 for \$17.9 million of bond funds. Documentation provided does not support the total obligations listed. The budget outlined in Exhibit H of the cooperative agreement between the City, former RDA, and Bay Area Rapid Transit shows RDA's portion of the funding to be \$1,629,220, whereas total obligation listed on the ROPS is \$17,894,786.

July through December 2013 ROPS

Finance is not reviewing the ROPS for the ROPS IV at this point in time, and therefore we are returning your ROPS IV. Please resubmit the ROPS IV for our review when the ROPS IV form becomes available.

Except for items denied in whole or in part as enforceable obligations as noted above, Finance is approving the remaining items listed in your ROPS III. If you disagree with the determination with respect to any items on your ROPS III, 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/

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$4,251,226 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 4,374,979
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item No. 9	200,000
Item No. 21	30,000
Item No. 22	25,002
Item No. 30*	30,000
Item No. 63*	12,000
Item No. 65*	3,500
Total approved RPTTF for enforceable obligations	\$ 4,074,477
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	176,749
Total RPTTF approved:	\$ 4,251,226

* Reclassified as administrative cost

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Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS III form the estimated obligations and actual payments associated with the January through June 2012 period. The amount of RPTTF approved in the above table will be adjusted by the county auditor-controller to account for differences between actual payments and past estimated obligations. Additionally, these estimates and accounts are subject to audit by the county auditor-controller and the State Controller.

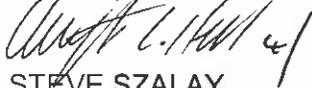
Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount: [http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/](http://www.dof.ca.gov/redevelopment/ROPS/ROPS%20III%20Forms%20by%20Successor%20Agency/).

All items listed on a future ROPS are subject to a subsequent review. An item included on a future ROPS may be denied even if it was not questioned from the preceding ROPS.

The amount available from the RPTTF is the same as the property tax increment that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. 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 successor agency in the RPTTF.

Please direct inquiries to Beliz Chappuie, Supervisor, or Cindie Lor at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc. Mr. Rich Digre, Director of Administrative Services, Union City
Ms. Carol S. Orth, Tax Analysis Division Chief, Alameda County Auditor Controller