



October 10, 2012

Ms. Kim Juran, Finance Director  
City of San Bruno  
567 El Camino Real  
San Bruno, CA 94066

Dear Ms. Juran:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Successor Agency to the San Bruno Redevelopment Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 27, 2012 for the period of January through June 2013. 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 our review and application of the law, items 3 and 4 – Archstone Owner Participation Agreements totaling \$12.8 million – are not enforceable obligations.

HSC section 34176 (a) (1) states that if the City of San Bruno (City) elects to retain the authority to perform housing functions previously performed by the Agency, all rights, powers, duties, obligations, and housing assets shall transfer to the City. On August 1, 2012, the City filed a Housing Asset Transfers List (Form) accepting responsibility for loan and grant receivables transferred from the Agency. The City did not list encumbrances totaling \$12.8 million on Exhibit C of the Form. Therefore, the items are not housing assets eligible for Redevelopment Property Tax Trust Fund (RPTTF) money. Additionally, the Agency is not permitted to fund housing entity administration costs with RPTTF. Therefore, item 3 and 4 are not eligible for funding.

Except for item(s) denied in whole or in part as enforceable obligation(s) 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/](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: \$216,815 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of January through June 2013</b>	
Total RPTTF funding requested for obligations	\$ 814,156
Less: Six-month total for item(s) denied or reclassified as administrative cost	
Item 3	370,000
Item 4	311,000
Total approved RPTTF for enforceable obligations	\$ 133,156
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	83,659
<b>Total RPTTF approved:</b>	<b>\$ 216,815</b>

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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,

  
STEVE SZALAY  
Local Government Consultant

cc: Mr. Mark Sullivan, Housing Manager, City of San Bruno  
Mr. Bob Adler, Auditor-Controller, San Mateo County