



October 11, 2012

Mr. Kerry Breen, Assistant Finance Director  
City of Brentwood  
150 City Park Way  
Brentwood, CA 94513-1164

Dear Mr. Breen:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Brentwood Successor 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 a sample of line items reviewed and application of the law, the following do not qualify as an enforceable obligation:

- Item No. 23 – Grove Sunset, L.P. contract in the amount of \$3.9 million Low and Moderate Income Housing Fund funding. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. Because the contract was signed on January 31, 2012, this item is not an enforceable obligation.
- Furthermore, the following contracts were reclassified as administrative costs, which exceeded the allowance by \$27,629:
  - Item No. 7 – Seifel Consulting, professional assistance, in the amount of \$50,000
  - Item No. 8 – Burke, Williams & Sorrenson legal assistance in the amount of \$50,000
  - Item Nos. 9 and 10 – Best, Best and Kreiger legal assistance totaling \$100,000
  - Item No. 11 – Maze and Associates annual audit services in the amount of \$7,615

HSC section 34171 (b) limits fiscal year 2012-13 administrative expense to three percent of property tax allocated to the successor agency or \$250,000, whichever is greater. As a result, Brentwood is eligible for \$250,000 in administrative expenses.

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/](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 \$2,328,208 as summarized below:

| <b>Approved RPTTF Distribution Amount<br/>For the period of January through June 2013</b> |                     |
|---|---------------------|
| Total RPTTF funding requested for obligations   | \$ 2,105,837        |
| Less: Six-month total for items denied or reclassified as administrative cost             |                     |
| Item 7*   | 5,000               |
| Item 8*   | 10,000              |
| Item 9*   | 3,333               |
| Item 10*  | 6,250               |
| Item 11*  | 3,046               |
| Total approved RPTTF for enforceable obligations  | \$ 2,078,208        |
| Plus: Allowable RPTTF distribution for administrative cost for ROPS III                   | 250,000             |
| <b>Total RPTTF approved:</b>  | <b>\$ 2,328,208</b> |

\*Reclassified as administrative cost.

| <b>Administrative Cost Calculation</b>   |                     |
|--|---------------------|
| Total RPTTF for the period July through December 2012                              | \$ 1,379,088        |
| Total RPTTF for the period January through June 2013                               | 2,078,208           |
| <b>Total RPTTF for fiscal year 2012-13:</b>  | <b>\$ 3,457,296</b> |
| Allowable administrative cost for fiscal year 2012-13 (Greater of 3% or \$250,000) | 250,000             |
| Administrative allowance for the period of July through December 2012              | -                   |
| <b>Allowable RPTTF distribution for administrative cost for ROPS III:</b>          | <b>\$ 250,000</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/>.

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.

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Please direct inquiries to Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,



**STEVE SZALAY**  
Local Government Consultant

cc: Ms. Michelle Hamblin, Business Services Manager, City of Brentwood  
Mr. Bob Campbell, Auditor-Controller, Contra Costa County