



October 20, 2012

Mr. John Montag, Economic Development & Housing Manager
City of Concord
1950 Parkside Drive
Concord, CA 94519

Dear Mr. Montag:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Concord Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 5, 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 enforceable obligations:

- Item No. 8 – Plaza Towers Owner Participation Agreement in the amount of \$1.1 million funded by Redevelopment Property Tax Trust Fund (RPTTF). Section 1.03 of the Owner Participation Agreement states the Agency's promise to pay the Agency's Subsidy shall continue unless, "The Agency ceases, for any reason, to receive tax increment funds attributable to property taxes for assessed on the Property and the Project." Tax increment is no longer payable to redevelopment agencies, therefore, this item is not an enforceable obligation and not eligible for RPTTF funding.
- Item Nos. 14 through 16 – Existing Affordable Obligations for Housing Loan administration and service in the amount of \$3 million funded by RPTTF. HSC section 34176(a)(1) requires the housing entity to be responsible for the housing duties and obligations previously performed by the redevelopment agency. The housing entity is responsible for its own operations and administrative costs. Therefore, these items are not enforceable obligations and not eligible for RPTTF funding.

Furthermore, Item Nos. 12 and 19 totaling \$19,696 were reclassified as administrative costs. Although this reclassification increased administrative costs to \$149,326, the administrative cost allowance has not been exceeded.

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: \$6,292,380 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013	
Total RPTTF funding requested for obligations	\$ 6,358,575
Less: Six-month total for items denied or reclassified as administrative cost	
Item 8	148,569
Item 12*	12,496
Item 14	26,250
Item 15	3,522
Item 16	17,484
Item 19*	7,200
Total approved RPTTF for enforceable obligations	\$ 6,143,054
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	149,326
Total RPTTF approved:	\$ 6,292,380

*Reclassified as administrative costs

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. Carole Wilson, Financial Operations Manager, City of Concord
Mr. Bob Campbell, Auditor-Controller, Contra Costa County