



December 18, 2012

Ms. Leelee Thomas, Principal Planner  
County of Marin  
3501 Civic Center Drive, Suite 308  
San Rafael, CA 94903

Dear Ms. Thomas:

Subject: Recognized Obligation Payment Schedule

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated September 24, 2012. Pursuant to Health and Safety Code (HSC) section 34177 (m), the County of Marin Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 10, 2012 for the period of January 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on September 24, 2012. Subsequently, the Agency requested a Meet and Confer session on one or more of the items denied by Finance. The Meet and Confer session was held on Monday, October 15, 2012.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the items being disputed.

- Item 6 – Ridgeway Marin Apartments in the amount of \$12.3 million. Finance is no longer objecting to the item. Finance denied the item as an enforceable obligation as the set-aside is no longer required with the passing of redevelopment dissolution. Furthermore, HSC section 34163 (c) (4) prohibits a redevelopment agency (RDA) from making any future deposits to the Low and Moderate Income Housing Fund created pursuant to HSC section 33334.3. The Agency contends the item is an enforceable obligation because both the original 1995 Housing Assistance Pledge Agreement and the 2009 Modification existed prior to the dissolution legislation. Finance approves this item as an enforceable obligation.
- Item 7, Below Market Rate Housing Monitoring in the amount of \$1.6 million – Finance denied the item as an enforceable obligation as HSC section 34176 (a) (2) states if a city, county, or city and county elects to retain the authority to perform housing functions previously performed by a RDA, all rights, powers, duties, obligations, and housing assets shall be transferred to the city, county, or city and county. The Agency contends the item is an enforceable obligation because the Marin County Housing Authority (Authority) is a separate legal entity from the County of Marin; therefore, this agreement is with a third party (not with the county that created the RDA), and not subject to the restrictions of Health and Safety Code section 34178. However, based on a review of additional documents and information provided, Finance continues to deny the item.

The County of Marin's Comprehensive Annual Financial Report for the Year Ended June 30, 2011, states that the Authority is a blended component unit of the County. Per HSC section 34167.10 (c), it shall not be relevant that the entity is formed as a separate legal entity, nonprofit corporation, or otherwise, or is not subject to the constitution debt limitation otherwise applicable to a city, county, or city and county. Therefore, the Authority is considered part of the County and this item is not an enforceable obligation.

- Item 10, Marin City Community Center for \$625,000 of other funds – Finance denied the item as an enforceable obligation as no executed contract was provided for this item. Based on a review of additional documents provided, Finance is no longer objecting to the item. The agreement between the former RDA and the Marin City Community Services District was approved and signed by both parties on April 25, 2011.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$773,466 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	\$ 706,081
Less: Six-month total for item(s) denied	
Item 7	28,250
Total approved RPTTF for enforceable obligations	<u>\$ 677,831</u>
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	<u>95,635</u>
<b>Total RPTTF approved:</b>	<b>\$ 773,466</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.

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.

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. Except for items disallowed as noted above, Finance is not objecting to the remaining items listed on your Form. Obligations deemed not to be enforceable shall be removed from your ROPS.

Ms. Leelee Thomas  
December 18, 2012  
Page 3

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Mary Halterman, Analyst, at (916) 445-1546.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve Szalay', with a stylized flourish extending from the end of the signature.

Steve Szalay  
Local Government Consultant

cc: Mr. Brian Crawford, Director, County of Marin