



October 19, 2012

Mr. Jeff Crechriou, Management Analyst  
City of Marina  
211 Hillcrest Avenue  
Marina, CA 93933

Dear Mr. Crechriou:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Marina Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on September 4, 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 – Dunes Development and Disposition Agreement (DDA) Affordable Housing Cost Reimbursement in the amount \$50,713,235 payable from the Redevelopment Property Tax Trust Fund (RPTTF). The agreement provided states that the Agency will pay cost reimbursements to the developer from the available Low and Moderate Income Housing Fund (LMIHF). The requirement to set aside 20 percent of redevelopment agency (RDA) tax increment for low and moderate income housing purposes ended with the passing of the redevelopment dissolution legislation. Because there no longer are such taxes allocated to the Agency, there is no payment obligation. Therefore, this item is not eligible for RPTTF funding.
- Item No. 25 – Affordable Housing Monitoring, Compliance and Reporting in the amount of \$940,175 payable from 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, this item is not an enforceable obligation.

Furthermore, the following items were reclassified as administrative costs:

- Item No. 10—Financial and Real Estate Advisory Services in the amount of \$12,500.
- Item No. 11—City Attorney Legal Services in the amount of \$5,000.
- Item No. 12—Redevelopment Legal Counsel in the amount of \$7,500.
- Item No. 13—Lease of Office Space in the amount of \$35,800.
- Item No. 14—Sale and Use Tax Audit and Reporting Services in the amount of \$2,250.

- Item No. 15—Website Hosting Services in the amount of \$4,680.
- Item No. 16—Phone and Communication Services in the amount of \$1,210.
- Item No. 17—Copier Maintenance in the amount of \$3,740.
- Item No. 18—Alarm System Services in the amount of \$460.
- Item No. 19—Accounting Services in the amount of \$7,000.
- Item No. 20—Accounting Services in the amount of \$6,200.
- Item No. 23—Employee Costs in the amount of \$115,000.
- Item No. 28—AB1484 Due Diligence Review in the amount of \$26,600.

Although these reclassifications increased administrative costs to \$247,940, the administrative cost allowance has not been exceeded.

Except for items denied in whole or in part as enforceable obligation) 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: \$541,120 as summarized below:

<b>Approved RPTTF Distribution Amount For the period of January through June 2013</b>	
Total RPTTF funding requested for obligations	\$ 798,945
Less: Six-month total for items denied or reclassified as administrative cost	
Item 8	275,000
Item 10*	12,500
Item 11*	5,000
Item 12*	7,500
Item 13*	35,800
Item 14*	2,250
Item 15*	4,680
Item 16*	1,210
Item 17*	3,740
Item 18*	460
Item 19*	7,000
Item 20*	6,200
Item 23*	115,000
Item 25	2,825
Item 28*	26,600
Total approved RPTTF for enforceable obligations	<u>\$ 293,180</u>
Plus: Allowable RPTTF distribution for administrative cost for ROPS III	<u>247,940</u>
<b>Total RPTTF approved:</b>	<b>\$ 541,120</b>

\*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/](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 Nichelle Thomas, Supervisor or Susana Medina Jackson, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Ms. Julie Aguero, Auditor Controller Analyst II, County of Monterey