DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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October 12, 2012

Mr. Marc Fontes, Economic Development Director
City of San Ramon
2228 Camino Ramon
San Ramon, CA 94583

Dear Mr. Fontes:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of San Ramon successor agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS III) to the California Department of Finance (Finance) on August 28, 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 Nos. 9, 10, 18 and 19 – Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) Loans in the total amount of $4.5 million funded by Redevelopment Property Tax Trust Fund (RPTTF). HSC section 34176 (e) (6) (B) prohibits an agency from making loan or deferral repayments prior to the 2013-14 fiscal year. Therefore, these line items are not enforceable obligations and not eligible for RPTTF funding.

- Item Nos. 15 through 17 – Affordable Housing Contracts in the total amount of $1.4 million funded by RPTTF. HSC section 34176 (a) (1) states if a city, county, or city and county elects to retain the authority to perform housing functions previously performed by a redevelopment agency, all rights, powers, duties, obligations, and housing assets shall be transferred to the city, county, or city and county. Since the City of San Roman assumed the housing functions, these items are not enforceable obligations and not eligible for RPTTF funding.

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 $9,631,531 as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2013		
Total RPTTF funding requested for obligations	$	10,656,127
Less: Six-month total for items denied		
Item 9		34,584
Item 10		37,032
Item 15		40,980
Item 17		144,000
Item 18*		0
Item 19		768,000
Total approved RPTTF for enforceable obligations	$	9,631,531
Plus: Allowable RPTTF distribution for administrative cost for ROPS III*		0
Total RPTTF approved:	$	9,631,531

*No RPTTF funding requested for the reporting period

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.

Please direct inquiries to Nichelle Thomas, Supervisor or Wendy Griffe, Lead Analyst at (916) 445-1546.

Sincerely,

STEVE SZALAY
Local Government Consultant

cc: Ms. Eva Phelps, Administrative Services Director, City of San Ramon
Mr. Bob Campbell, Auditor Controller, Contra Costa County