



December 18, 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

This letter supersedes Finance's Recognized Obligation Payment Schedule (ROPS) letter dated October 12, 2012. 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 1 through June 30, 2013. Finance issued its determination related to those enforceable obligations on October 12, 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 November 20, 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 specific items being disputed.

- Item Nos. 9 and 10 – California Statewide Communities Development Authority Loans totaling \$490,312 Redevelopment Property Tax Trust Fund (RPTTF). Finance originally denied the items as it was believed the items represented repayment of Educational Revenue Augmentation Fund Loans. Based on additional information provided, Finance is no longer objecting to the items. We note that these items are repayments of loans between the former Redevelopment Agency (RDA) and third parties, which were entered into prior to the dissolution of the RDA.
- Item Nos. 18 and 19 – Supplemental Educational Revenue Augmentation Fund (SERAF) Loans in the total amount of \$4.038 million funded by RPTTF. Finance continues to deny the items. HSC section 34176 (e) (6) (B) prohibits an agency from making loan or deferral repayments prior to the 2013-14 fiscal year. Therefore, item 18 is not enforceable obligations and not eligible for RPTTF funding at this time. Additionally, HSC section 34171 (d) (1) (A) allows for the creation of reserves for debt service payments only. As such, item 19 is denied on an ongoing basis.
- Item Nos. 15 and 16 – Villa San Ramon OPA and CAL HFA Help Loan in the total amount of \$1.364 million funded by RPTTF. Finance is no longer objecting to the Items at this time. However, Finance will revisit these items during future ROPS periods.

- Item 17 – CAL HFA Reserve Funds totaling \$144,000 RPTTF. Finance continues to deny the item. HSC section 34171 (d) (1) (A) allows for the creation of reserves for debt service payments only. As such, this item is denied.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is \$9,744,127 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 17	144,000
Item 18*	0
Item 19	768,000
Total approved RPTTF for enforceable obligations	\$ 9,744,127
Plus: Allowable RPTTF distribution for administrative cost for ROPS III*	0
Total RPTTF approved:	\$ 9,744,127

*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.

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.

Except for items disallowed as noted above, Finance is not objecting to the remaining items listed in your ROPS III. Obligations deemed not to be enforceable shall be removed from your ROPS. This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2013. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not questioned on this ROPS or a preceding ROPS.

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

Sincerely,



STEVE SZALAY
Local Government Consultant

Mr. Marc Fontes
December 18, 2012
Page 3

cc: On following page
cc: Ms. Eva Phelps, Administrative Services Director, City of San Ramon
Mr. Bob Campbell, Auditor-Controller, Contra Costa County
California State Controller's Office