



April 14, 2013

Ms. Eileen Dalton, Deputy Director
Alameda County
224 West Winton Avenue, #110
Hayward, CA 94544

Dear Ms. Dalton:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Alameda County Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14A) to the California Department of Finance (Finance) on February 28, 2013 for the period of July through December 2013. Finance has completed its review of your ROPS 13-14A, 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. 34 – Excess Bond Proceeds Expenditure Obligation for the Hesperian Blvd. Streetscape Project funded with \$4.8 million in bond proceeds is not an enforceable obligation at this time. HSC section 34163(b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that contracts for these line items have not yet been awarded. Pursuant to HSC section 34191.4 (c), your request to use bond funds for these obligations may be allowable once the Agency receives a Finding of Completion from Finance.

Furthermore the following adjustments have been made due to Low and Moderate Income Housing Due Diligence Review Meet and Confer determination and as requested by the Agency:

- Item No. 6 – Loan to RCD in the amount of \$8,392,934. The funding source was changed from \$8,392,934 in Redevelopment Property Tax Trust Funding (RPTTF) to \$6,753,934 in Reserve Balance and \$1,639,000 in RPTTF funding.
- Item No. 8 – Mercy Housing Loan in the amount of \$4 million. The total obligation due during fiscal year 2013-14 was reduced from \$4 million to \$3,190,800. Additionally, of the \$3,190,800 obligation, funding source for \$1,296,075 was changed to Reserve Balance and \$1,894,725 remained as RPTTF funding.

Except for item denied in whole or in part as enforceable obligation, Finance is not objecting to the remaining items listed on your ROPS 13-14A. This determination applies only to items

where funding was requested for the six month period. If you disagree with the determination with respect to any items on your ROPS 13-14A, 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: \$7,541,125 as summarized below:

For the period of July through December 2013	
Total RPTTF funding requested for obligations	\$ 16,317,294
Minus: Funding source changed to Reserve Balance	
Item 6	(6,753,934)
Item 8	(1,296,075)
Minus: Reduction in RPTTF requested by Agency	
Item 8	(809,200)
Total approved RPTTF for enforceable obligations	\$ 7,458,085
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	241,920
Minus: ROPS II prior period adjustment	(158,880)
Total RPTTF approved for distribution:	\$ 7,541,125

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2012 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the above table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

Please refer to the ROPS 13-14A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14A Forms by Successor Agency/>.

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 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 denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of 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.

Ms. Eileen Dalton

April 14, 2013

Page 3

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Beliz Chappuie, Supervisor or Todd Vermillion, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY

Local Government Consultant

cc: Ms. Marita Hawryluk, Assistant Deputy Director, Alameda County
Ms. Carol S. Orth, Tax Analysis, Division Chief, County of Alameda
California State Controller's Office