



May 17, 2013

Ms. Lisa Grote, Community Development Director  
City of San Mateo  
330 W. 20<sup>th</sup> Avenue  
San Mateo, CA 94403

Dear Ms. Grote:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS 13-14A) letter dated April 3, 2013. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of San Mateo Successor Agency (Agency) submitted ROPS 13-14A to Finance on February 8, 2013 for the period of July through December 2013. Finance issued a ROPS determination letter on April 3, 2013. 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 April 29, 2013.

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 item being disputed. Based on our review, we are approving all of the items listed on your ROPS 13-14A at this time.

During the Meet and Confer process, the Agency provided additional information showing that the unexpended funds associated with the prior period adjustment for the July through December 2012 ROPS period in the amount of \$105,390 was already remitted and distributed to the taxing entities through the Other Funds and Accounts Due Diligence Review. Finance concurs; therefore, Finance is recommending the County Auditor Controller decrease the prior period adjustment to \$0.

The Agency's maximum approved Redevelopment Property Tax Trust Fund (RPTTF) distribution for the reporting period is: \$2,941,309 as summarized below:

<b>Approved RPTTF Distribution Amount</b>	
<b>For the period of July through December 2013</b>	
Total RPTTF funding requested for obligations	\$ 2,691,309
Total approved RPTTF for enforceable obligations	\$ 2,691,309
Plus: Allowable RPTTF distribution for ROPS 13-14A administrative cost	250,000
Minus: ROPS II prior period adjustment	-
<b>Total RPTTF approved for distribution:</b>	<b>\$ 2,941,309</b>

\*Reclassified as administrative cost

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 that was self-reported by the Agency and the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment. Please refer to the worksheet used by the CAC to determine the audited prior period adjustment for the Agency:

<http://www.dof.ca.gov/redevelopment/ROPS/view.php>

Please refer to the ROPS III schedule that was used to calculate the approved RPTTF amount:

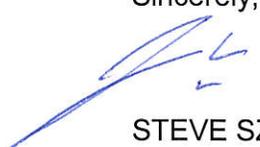
<http://www.dof.ca.gov/redevelopment/ROPS/ROPS III Forms by Successor Agency/>

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July through December 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.

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

Sincerely,



STEVE SZALAY  
Local Government Consultant

cc: Mr. David Culver, Finance Director, City of San Mateo  
Mr. Robert Adler, Auditor Controller, San Mateo County  
California State Controller's Office