



May 27, 2012

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

Dear Mr. Crechriou:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Marina Successor Agency (Agency) submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 13, 2012 for the period January to June 2012 and on May 11, 2012 for the period July to December 2012. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

This letter supersedes Finance's letter dated April 27, 2012 wherein we disallowed certain line items. After further information provided by the Agency, we no longer question the following line items:

Item No.	Page	Project Name	Amount
2	1	Cypress Knolls Project RFQ/RFP Process Costs	\$ 1,050,000
8	1	Loan from LMIHF	284,715
10	1	Dunes DDA including 2nd Implementation Agreement	63,269,219
10a	1	Dunes DDA including 2nd Implementation Agreement	50,847,390
26	1	CAP Charges/Using of City Services	266,518
27	1	Code Enforcement	35,000
28	1	Completion of Downtown Specific Plan	48,000
29	1	Interim, Inc. Project, ENA & DDA	139,710
30	1	Affordable Housing Monitoring, Compliance, Report	943,000
31	1	Selinas Valsey Memorial Hospital Project DDA	19,250
32	1	Marina Heights Project Option Agreement	247,500

HSC section 34171 (d) lists enforceable obligations (EO) characteristics. Based on a sample of items reviewed and application of the law, the following do not qualify as EOs:

January to June 2012 ROPS:

- Various items shown below in the amount of \$279,169. There were no documents to show the Agency has established EOs for the following items:

Page	Line No	Description	Amount
1	6	Loans from Other Funds Payable	\$ 194,169
1	7	Loan from Airport Enterprise Fund	85,000
		Total	\$ 279,169

- Various items shown below in the amount of \$284.8 million. Per HSC section 34171(d)(2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.

Page	Line	Description	Amount
1	9	Assignment Agreement with City of Marina	\$ 32,000,000
1	9a	Project Management of Assignment Agreement	4,800,000
1	11	Public Improvement Grant & Cooperative Agreement	248,029,856
		Total	\$ 284,829,856

July to December 2012 ROPS:

- Various items shown below in the amount of \$279,169. There were no documents to show the Agency has established EOs for the following items:

Page	Line No	Description	Amount
1	6	Loans from Other Funds Payable	\$ 194,169
1	7	Loan from Airport Enterprise Fund	85,000
		Total	\$ 279,169

- Various items shown below in the amount of \$284.8 million. Per HSC section 34171(d)(2) states that agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency are not enforceable obligations.

Page	Line No	Description	Amount
1	9	Assignment Agreement with City of Marina	\$ 32,000,000
1	9a	Project Management of Assignment Agreement	4,800,000
1	11	Public Improvement Grant & Cooperative Agreement	248,029,856
		Total	\$ 284,829,856

Except for the preceding items disallowed in whole or in part as enforceable obligations, Finance is approving the remaining items listed in your ROPS for both periods. This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund (RPTTF) for the June 1, 2012 property tax allocations. If your oversight board disagrees with our determination with respect to any items not funded with property tax, any future resolution of the disputed issue may be accommodated by amending the ROPS for the appropriate time period. Items not questioned during this review are subject to a subsequent

Mr. Crechriou
May 27, 2012
Page 3

review, if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at http://www.dof.ca.gov/assembly_bills_26-27/view.php for the amount of RPTTF that was approved by Finance based on the schedule submitted.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. 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 in the RPTTF.

Please direct inquiries to Evelyn Suess, Supervisor or Michael Barr, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in black ink that reads "Mark Hill". The signature is written in a cursive, slightly slanted style.

MARK HILL
Program Budget Manager

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