



May 24, 2012

Paul Abelson, Finance Director
City of Oakley
3231 Main Street
Oakley, CA 94561

Dear Mr. Abelson:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Oakley Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on April 30, 2012 for period of the January to June 2012 and May 19, 2012 for the period of July to December 2012 period. Finance is assuming appropriate oversight board approval. Finance has completed its review of your ROPS, which may have included obtaining clarification for various items.

January through June 2012 ROPS

Except for items disallowed in whole or in part as EOs noted below, Finance is approving the remaining items listed in your ROPS. HSC section 34171 (d) lists enforceable obligations characteristics. Based on a sample of items reviewed and application of the law, the following do not qualify as EOs:

- Form B, items 1, 6 through 15, 17, and 18 totaling \$8.3 million. Although Tax Allocation Bonds were issued to fund these projects, based on the ROPS, the actual contracts were signed after June 27, 2012. HSC section 34163 (b) prohibits these commitments without third party expenditure contracts dated prior to June 28, 2011.

Item No.	Form	Project Name	Total Outstanding Amount
1	B	Façade/Signage Improvement Grant Program	\$7,171.00
6	B	Oakley Plaza Façade Improvement Project	15,433.00
7	B	Downtown Project	600,000.00
8	B	Downtown Project	1,200,000.00
9	B	Downtown Project	375,000.00
10	B	Downtown Project	111,000.00
11	B	Downtown Project	500,000.00
12	B	Downtown Project	430,000.00
13	B	Downtown Project	25,000.00
14	B	Downtown Project	700,000.00

Item No.	Form	Project Name	Total Outstanding Amount
15	B	Downtown Project	3,750,000.00
17	B	Downtown Project	500,000.00
18	B	Directional Sign Project	76,950.00
		Total	\$ 8,290,554.00

July through December 2012 ROPS

Except for items disallowed in whole or in part as EOs noted below, Finance is approving the remaining items listed in your ROPS. HSC section 34171 (d) lists enforceable obligations characteristics. Based on a sample of items reviewed and application of the law, the following do not qualify as EOs:

- Form B, items 3 through 12 totaling \$7.3 million. Although Tax Allocation Bonds were issued to fund these projects, based on the ROPS, the actual contracts were signed after June 27, 2012. HSC section 34163 (b) prohibits these commitments without third party expenditure contracts dated prior to June 28, 2011.

Item No.	Form	Project Name	Total Outstanding Amount
3	B	Oakley Plaza Façade Improvement Project	\$15,433.00
4	B	Downtown Project	124,000.00
5	B	Downtown Project	1,200,000.00
6	B	Downtown Project	290,000.00
7	B	Downtown Project	500,000.00
8	B	Downtown Project	430,000.00
9	B	Downtown Project	700,000.00
10	B	Downtown Project	3,550,000.00
11	B	Downtown Project	466,653.00
12	B	Directional Sign Project	51,885.00
		Total	\$ 7,327,971.00

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 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.

Mr. Abelson
May 25, 2012
Page 3

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 Brian Dunham, Lead Analyst at (916) 322-2985.

Sincerely,

A handwritten signature in cursive script that reads "Mark Hill".

MARK HILL
Program Budget Manager

cc: Mr. Bob Campbell, Auditor-Controller, Contra Costa County
Mr. Jay Wilverding, Chief Accountant, Contra Costa County