



THIS AGENDA IS POSTED IN ACCORDANCE WITH
GOVERNMENT CODE SECTION 54950 ET. SEQ.
DATE POSTED: January 22 , 2018 TIME POSTED: 11:45 A.M.
**EAST PALO ALTO SUCCESSOR AGENCY OVERSIGHT
BOARD MEETING**

Thursday, January 25, 2018 – 2:00 to 3:00 P.M.
FIRST FLOOR -- CITY HALL COUNCIL CHAMBERS
2415 UNIVERSITY AVENUE, EAST PALO ALTO, CA 94303

Board Members

1. Reyna Farrales (A), Deputy County Manager – Board Vice Chair
 2. Donna Rutherford (E), Council Member
 3. Kathleen Jackson (A), MPFD Fire Chief
 4. Steven J. Eichman (A), Chief Business Official
 5. Bernata Slater (A), Chief Financial Officer
 6. Nicholas Jellins (A), Board Chair
 7. Carlos Martinez(A), City Manager
- (E) = Elected Official (A) = Appointed Official*

Selected by:

- San Mateo County Board of Supervisors
- Mayor of East Palo Alto Appointee
Menlo Park Fire District (MPFD)
Ravenswood City School District
San Mateo Community College
San Mateo County Board of Supervisors
Mayor of East Palo Alto Appointee

Advisory:

Michael Roush, Legal Counsel
Joseph Prado, OB Secretary

1. **CALL TO ORDER AND ROLL CALL**
2. **APPROVAL OF THE AGENDA**
3. **PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEM**
4. **APPROVAL OF CONSENT CALENDAR**
 - A. Approval of January 26, 2017 Oversight Board Meeting Minutes
5. **POLICY AND ACTION REPORTS**
 - A. Approval of the Twelfth East Palo Alto Successor Agency Recognized Obligation Payment Schedule for the Period July 1, 2018 to June 30, 2019. (ROPS 18-19)
6. **INFORMATIONAL REPORTS**
 - A. Formal Correspondence from the State Department of Finance to the Successor Agency
7. **BOARD MEMBER COMMENTS**
8. **ADJOURNMENT**



CITY OF EAST PALO ALTO

SUCCESSOR AGENCY

2415 University Avenue • East Palo Alto, CA 94303

OVERSIGHT BOARD MEETING DATE: January 25, 2018

DATE: January 25, 2018
TO: Hon. Members of the East Palo Alto Successor Agency Oversight Board (OB)
FROM: Joseph Prado, Secretary
SUBJECT: Approval of January 26, 2017 Meeting Minutes

1. Meeting Call to Order: Nicholas Jellins, Chair, **Date:** 1/26/17 **Time:** 2:00 p.m.

- Roll Call – (J.Prado, OB Secretary)
- **Quorum:** **Total: 5 members present at Roll Call.**

Board Members	Appointed by	Attendance
1. Reyna Farrales (A), Deputy County Manager – Board Vice Chair	SM Co. B of S	<input checked="" type="checkbox"/>
2. Donna Rutherford (E), Council Member	Mayor Appointee	<input checked="" type="checkbox"/>
3. Kathleen Jackson, MPFD (A)	Menlo Park Fire District	<input checked="" type="checkbox"/>
4. Simon Lai for Steven J. Eichman, CBO (A)	Ravenswood S.D.	<input checked="" type="checkbox"/>
5. Bernata Slater (A), CFO (A)	Community College	<input checked="" type="checkbox"/>
6. Nicholas Jellins (A), Board Chair	SM Co. B of S	<input checked="" type="checkbox"/>
7. Carlos Martínez (A), City Manager	Mayor Appointee	<input checked="" type="checkbox"/>

(E) = Elected Official (A) = Appointed Official

Advisory

Michael Roush, OB Legal Counsel; Brenda Olwin – Finance Director; Rafael E. Alvarado Jr. – City Attorney; Joseph Prado – OB Secretary – In attendance

- 2. Approval of the Agenda (Chair Jellins)**
- Motion for approval: R. Farrales Second: C. Martínez. Votes: 5 (All present) Yes.
ACTION: January 26, 2017 Agenda approved.
- 3. Public Comment Regarding Consent Calendar Items**
- There was no public comment.
- 4. Approval of Consent Calendar**
- A. Approval of January 28, 2016 Meeting Minutes
- Motion for approval: C. Martínez. Second: N. Jellins. Votes: 5 (All present) Yes.
ACTION: January 26, 2016 Meeting Minutes approved
- 5. Policy and Action Reports**
- A. Approval of the Eleventh East Palo Alto Recognized Obligation Payment Schedule for the Period July 1, 2017 to June 30, 2018. (ROPS 17-18)
- Motion for approval: C. Martínez. Second: R. Farrales. Votes: 5 (All present) Yes.
- 6. Informational Reports**
- A. Important Formal Correspondence from the State Department of Finance to the Successor Agency
- Presentation by Brenda Olwin, Successor Agency Treasurer

7. Board Member Comments
 - R. Farrales: Thanks to staff
 - N. Jellins: Appreciation to staff.
8. **Adjournment:** The meeting was adjourned at 2:14 p.m.



**CITY OF EAST PALO ALTO
SUCCESSOR AGENCY**

2415 University Avenue • East Palo Alto, CA 94303

OVERSIGHT BOARD MEETING DATE: January 25, 2018

DATE: January 25, 2018

TO: Hon. Members of the East Palo Alto Successor Agency Oversight Board

FROM: Brenda Cooley-Olwin, Treasurer

SUBJECT: Approval of the Twelfth East Palo Alto Recognized Obligation Payment Schedule for the Period July 1, 2018 to June 30, 2019 (ROPS 18-19)

RECOMMENDATION:

Staff recommends that the Oversight Board adopt Resolution OB 2018-01 approving ROPS 18-19 for the period July 1, 2018 to June 30, 2019.

BACKGROUND:

The following Recognized Obligation Payment Schedules (“ROPS”) have been approved by the Oversight Board (OB) and the State Department of Finance:

- A) ROPS I: January 1, 2012 - June 30, 2012
- B) ROPS II: July 1, 2012 - December 31, 2012
- C) ROPS III: January 1, 2013 - June 30, 2013
- D) ROPS 13-14A: July 1, 2013 - December 31, 2013
- E) ROPS 13-14B: January 1, 2014 - June 30, 2014
- F) ROPS 14-15A: July 1, 2014 – December 31, 2014
- G) ROPS 14-15B: January 1, 2015 – June 31, 2015
- H) ROPS 15-16A: July 1, 2015 – December 31, 2015
- I) ROPS 15-16B: January 1, 2016 – June 30, 2016
- J) ROPS 16-17: July 1, 2016 – June 30, 2017
- K) ROPS 17-18: July 1, 2017 – June 30, 2018

ANALYSIS:

On September 22, 2015, the California Legislature passed budget trailer bill SB 107. The primary purpose of SB 107 was to make technical and substantive amendments to the existing Dissolution Law. As such, the Successor Agency of the former Redevelopment Agency of the City of East Palo Alto (Successor Agency) must file an annual ROPS whereby the minimum payments and due dates for enforceable obligations payable during the entire fiscal year are set forth, as follows:

ROPS 18-19: July 1, 2018 to June 30, 2019: ROPS 17-18 includes a total obligation request of \$3,538,550, consisting of \$2,690,150 in fiscal year request for funds and \$848,400 payment from existing RPTTF reserves for final debt payment of the 2015 Refunding Bonds Series B. The total request and other notable changes reflect the following major obligation amounts:

- Annual refunding bond debt service payments in the amount of \$1,622,550 (excluding payments from reserves of \$848,400). On-going debt service is approximately \$1.6M until October 2032.
- Sponsoring Entity loan principal payments totaling \$947,100, comprised of the Gateway (\$547,100) and Ravenswood (\$400,000) repayments. As reflected on Attachment 2, the total Sponsoring Entity loan repayment allowable equals \$947,107.
- Administrative expenses of \$50,000. The amount requested is considered a reasonable estimate of the direct and indirect cost of staff workload incurred to administer Successor Agency business; such amount is less than the allowable costs determined through a separate cost allocation study.

The ROPS 18-19 template and Oversight Board Resolution are due to the State Department of Finance no later than February 1, 2018.

ATTACHMENTS:

1. Resolution OB 2018-01
Exhibit A: ROPS 18-19
Exhibit B: Administrative Allowance Budget
2. DOF Sponsoring Entity Loan Calculator

RESOLUTION NO. OB 2018-01

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
OF THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EAST PALO ALTO
APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS 18-19)
FOR THE PERIOD FROM JULY 1, 2018 TO JUNE 30, 2019**

WHEREAS, on December 29, 2011, the California Supreme Court delivered its decision in *California Redevelopment Association v. Matosantos*, finding ABx1 26 (the "Dissolution Act") largely constitutional; and

WHEREAS, under the Dissolution Act and the California Supreme Court's decision in *California Redevelopment Association v. Matosantos*, all California redevelopment agencies, including the Redevelopment Agency of the City of East Palo Alto (the "Dissolved RDA"), were dissolved on February 1, 2012; and

WHEREAS, on January 10, 2012, the City Council (the "City Council") of the City of East Palo Alto (the "City") adopted resolution 4226 accepting for the City the role of Successor Agency to the Dissolved RDA (the "Successor Agency"); and

WHEREAS, under the Dissolution Law, including SB 107, the City, in its capacity as Successor Agency, must prepare a "Recognized Obligation Payment Schedule" ("ROPS") that enumerates the enforceable obligations and expenses of the Successor Agency every annual fiscal period, starting with the period beginning July 1, 2018; and

WHEREAS, the Successor Agency staff prepared, and the Oversight Board considered and approved, the twelfth ROPS (ROPS 18-19) for the twelve-month period ending June 30, 2019, attached here as Exhibit A, including a \$50,000 Administrative Cost allowance, attached here as Exhibit B, and

WHEREAS, under the Dissolution Act, ROPS 18-19 must be approved by February 1, 2018 by the Successor Agency's Oversight Board (the "Oversight Board") to enable the Successor Agency to continue to make payments on enforceable obligations; and

WHEREAS, pursuant to the Dissolution Act, the duly constituted Oversight Board for the Successor Agency met at a duly noticed public meeting on January 25, 2018 to obtain an overview of the ROPS 18-19 and to consider specific obligations listed on, and approval of, ROPS 18-19; and

WHEREAS, the Oversight Board has considered the aforementioned items and finds that such obligations constitute "enforceable obligations" and "recognized obligations" for all purposes of the Dissolution Act;

NOW, THEREFORE, BE IT RESOLVED that the Oversight Board of the Successor Agency for the Dissolved RDA hereby finds, resolves, and determines as follows:

SECTION 1. The foregoing recitals are true and correct and, together with information provided by the Successor Agency staff and the public, form the basis for the approvals, findings, resolutions, and determinations set forth below.

SECTION 2. Under the Health and Safety Code, the Oversight Board may reconsider disallowed enforceable obligations by the Department of Finance.

SECTION 3. The Oversight Board has reviewed the City loans included in Items 1 and 3 of the ROPS 18-19, approves the loans as enforceable obligations and makes a finding that they were for legitimate redevelopment purposes.

SECTION 4. The Oversight Board has reviewed all the aforementioned obligations, and hereby approves all items included in ROPS 18-19 (Exhibit A) as enforceable obligations.

ADOPTED on January 25, 2018 by the Members of the Oversight Board of the Successor Agency for the Former Redevelopment Agency of the City of East Palo Alto with the following vote, to wit:

	Jellins	Farrales	Rutherford	Jackson	Eichman	Slater	Martinez
AYES:							
NOES:							
ABSENT:							
ABSTAIN:							

Chair, Nicholas Jellins

Secretary, Joseph Prado

Approved as to form, OB Counsel

Recognized Obligation Payment Schedule (ROPS 18-19) - Summary

Filed for the July 1, 2018 through June 30, 2019 Period

Successor Agency: East Palo Alto
County: San Mateo

Current Period Requested Funding for Enforceable Obligations (ROPS Detail)	18-19A Total (July - December)	18-19B Total (January - June)	ROPS 18-19 Total
A Enforceable Obligations Funded as Follows (B+C+D):	\$ 848,400	\$ -	\$ 848,400
B Bond Proceeds	-	-	-
C Reserve Balance	848,400	-	848,400
D Other Funds	-	-	-
E Redevelopment Property Tax Trust Fund (RPTTF) (F+G):	\$ 966,375	\$ 1,723,775	\$ 2,690,150
F RPTTF	941,375	1,698,775	2,640,150
G Administrative RPTTF	25,000	25,000	50,000
H Current Period Enforceable Obligations (A+E):	\$ 1,814,775	\$ 1,723,775	\$ 3,538,550

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (o) of the Health and Safety code, I hereby
certify that the above is a true and accurate Recognized Obligation
Payment Schedule for the above named successor agency.

Name Title
/s/ _____
Signature Date

East Palo Alto Recognized Obligation Payment Schedule (ROPS 18-19) - ROPS Detail

July 1, 2018 through June 30, 2019

(Report Amounts in Whole Dollars)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W																
																							18-19A (July - December)											18-19B (January - June)				
																							Fund Sources											Fund Sources				
																							Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19A Total	Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	18-19B Total				
Item #	Project Name/Debt Obligation	Obligation Type	Contract/Agreement Execution Date	Contract/Agreement Termination Date	Payee	Description/Project Scope	Project Area	Total Outstanding Debt or Obligation	Retired	ROPS 18-19 Total																												
1	Repayment Agreement (06/1989)	City/County Loan (Prior 06/28/11) - Cash on Hand	6/19/1989	1/18/2045	City of East Palo Alto	Loan for Operation Advances	R	\$ 5,781,585	N	\$ 400,000						\$ 1,814,775						\$ 400,000																
3	Repayment Agreement (02/1995)	City/County Loan (Prior 06/28/11), Property transaction	2/21/1995	1/18/2045	City of East Palo Alto	Debt for Land Sold to Agency	G	5,813,730	N	\$ 547,100				547,100		\$ 547,100																						
8	Post Audit of Financial Transactions	Dissolution Audits	1/1/2012	6/30/2016	Badawi and Associates	post audit of financial transactions as required under AS 1484 section 34177 (n)	G, UC		N	\$ -						\$ -																						
11	Operating Subsidy Loan	Business Incentive Agreements	5/4/2004	1/1/2026	Bay Road Housing LP	Courtyard Affordable Housing	G, UC	480,000	N	\$ 60,000						\$ -				60,000		\$ 60,000																
12	Bank Charges for Bond Fiscal Agent Management	Fees	10/28/1999	1/1/2032	Wells Fargo Bank Trust	Trustee administrative charges	G, UC	157,500	N	\$ 10,500				10,500		\$ 10,500						\$ -																
15	Administrative Costs	Admin Costs	2/1/2012	6/30/2045	City of East Palo Alto and 3rd Party Vendors	Administrative Allowance	G, UC, R	700,000	N	\$ 50,000					25,000	\$ 25,000						25,000	\$ 25,000															
20	2015 Tax Allocation Refunding Bonds, Series A	Bonds Issued After 12/31/10	10/28/1999	10/1/2032	Wells Fargo Bank Trust	Refunding of 1999 and 2003 Series A TABS	G, UC	22,449,556	N	\$ 1,622,550				383,775		\$ 383,775				1,238,775		\$ 1,238,775																
21	2015 Tax Allocation Taxable Refunding Bonds, Series B	Bonds Issued After 12/31/10	1/1/2003	10/1/2018	Wells Fargo Bank Trust	Refunding of 2003 Series B TABS	G, UC	848,400	Y	\$ 848,400		848,400				\$ 848,400						\$ -																
22									N	\$ -						\$ -						\$ -																
23									N	\$ -						\$ -						\$ -																
24									N	\$ -						\$ -						\$ -																
25									N	\$ -						\$ -						\$ -																
26									N	\$ -						\$ -						\$ -																
27									N	\$ -						\$ -						\$ -																
28									N	\$ -						\$ -						\$ -																
29									N	\$ -						\$ -						\$ -																
30									N	\$ -						\$ -						\$ -																
31									N	\$ -						\$ -						\$ -																
32									N	\$ -						\$ -						\$ -																
33									N	\$ -						\$ -						\$ -																
34									N	\$ -						\$ -						\$ -																
35									N	\$ -						\$ -						\$ -																
36									N	\$ -						\$ -						\$ -																
37									N	\$ -						\$ -						\$ -																
38									N	\$ -						\$ -						\$ -																
39									N	\$ -						\$ -						\$ -																
40									N	\$ -						\$ -						\$ -																
41									N	\$ -						\$ -						\$ -																
42									N	\$ -						\$ -						\$ -																
43									N	\$ -						\$ -						\$ -																
44									N	\$ -						\$ -						\$ -																
45									N	\$ -						\$ -						\$ -																
46									N	\$ -						\$ -						\$ -																
47									N	\$ -						\$ -						\$ -																
48									N	\$ -						\$ -						\$ -																
49									N	\$ -						\$ -						\$ -																
50									N	\$ -						\$ -						\$ -																
51									N	\$ -						\$ -						\$ -																
52									N	\$ -						\$ -						\$ -																
53									N	\$ -						\$ -						\$ -																
54									N	\$ -						\$ -						\$ -																
55									N	\$ -						\$ -						\$ -																
56									N	\$ -						\$ -						\$ -																
57									N	\$ -						\$ -						\$ -																
58									N	\$ -						\$ -						\$ -																
59									N	\$ -						\$ -						\$ -																
60									N	\$ -						\$ -						\$ -																
61									N	\$ -						\$ -						\$ -																
62									N	\$ -						\$ -						\$ -																
63									N	\$ -						\$ -						\$ -																
64									N	\$ -						\$ -						\$ -																
65									N	\$ -						\$ -						\$ -																
66									N	\$ -						\$ -						\$ -																
67									N	\$ -						\$ -						\$ -																
68									N	\$ -						\$ -						\$ -																
69									N	\$ -						\$ -						\$ -																
70									N	\$ -						\$ -						\$ -																
71									N	\$ -						\$ -						\$ -																
72									N	\$ -						\$ -						\$ -																
73									N	\$ -						\$ -						\$ -																
74									N	\$ -						\$ -						\$ -																
75									N	\$ -						\$ -						\$ -																
76									N	\$ -						\$ -						\$ -																
77									N	\$ -						\$ -						\$ -																
78									N	\$ -						\$ -						\$ -																
79									N	\$ -						\$ -						\$ -																
80									N	\$ -						\$ -						\$ -																
81									N	\$ -						\$ -						\$ -																
82									N	\$ -						\$ -						\$ -																
83									N	\$ -						\$ -						\$ -																
84									N	\$ -						\$ -						\$ -																
85									N	\$ -						\$ -						\$ -																
86									N	\$ -						\$ -						\$ -																
87									N	\$ -						\$ -						\$ -																
88									N	\$ -						\$ -						\$ -																
89									N	\$ -						\$ -						\$ -																
90									N	\$ -						\$ -						\$ -																
91									N	\$ -						\$ -						\$ -																
92									N	\$ -						\$ -						\$ -																
93									N	\$ -						\$ -						\$ -																
94									N	\$ -						\$ -						\$ -																

East Palo Alto Recognized Obligation Payment Schedule (ROPS 18-19) - Report of Cash Balances
July 1, 2015 through June 30, 2016
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#)

A	B	C	D	E	F	G	H	I	
		Fund Sources							
		Bond Proceeds		Reserve Balance		Other	RPTTF		
	Cash Balance Information for ROPS 15-16 Actuals (07/01/15 - 06/30/16)	Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS period balances and DDR RPTTF balances retained	Prior ROPS RPTTF distributed as reserve for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	Comments	
1	Beginning Available Cash Balance (Actual 07/01/15)					713,078	284,961		
2	Revenue/Income (Actual 06/30/16) RPTTF amounts should tie to the ROPS 15-16 total distribution from the County Auditor-Controller during January 2016 and June 2016.		27,748			65,193	3,066,333		
3	Expenditures for ROPS 15-16 Enforceable Obligations (Actual 06/30/16)						2,066,292		
4	Retention of Available Cash Balance (Actual 06/30/16) RPTTF amount retained should only include the amounts distributed as reserve for future period(s)		27,748			772,444	1,155,073		
5	ROPS 15-16 RPTTF Balances Remaining	No entry required						129,929	
6	Ending Actual Available Cash Balance (06/30/16) C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 5,827	\$ -		

Administrative Allowance Budget

Administrative Budget: 7/1/2018 to 6/30/2019

Estimated Direct Hours

RPTTF Projections Consultant	\$	2,500
Finance Director	\$	18,500
Finance Staff (Manager and Acct li)	\$	8,500
SA Secretary	\$	3,000
	\$	32,500

Legal Fees **\$ 1,500**

Administrative Cost Allocation O/H	\$	16,000
Total Request	\$	50,000

Staff effort includes: ; bond payment processing; bond covenant reporting; general ledger maintenance of 4 internal trust funds; reconciliation and processing of RPTTF payments; budget preparation; general accounting reconciliation. Preparation of Prior Period Adjustments, transition of oversight to County. Forecasting and informational requests from the County. Last and Final ROPS preparatin and monitoring.

ROPS Review Period:	ROPS 18-19		
Sponsoring Entity Loan Repayment Calculator			
Base Year:	ROPS II July thru December 2012	ROPS III January thru June 2013	Total For Base Year
Residual Balance	713,587	2,948,396	3,661,983

Comparison Year:	ROPS 17-18 A July thru December 2017	ROPS 17-18 B January thru June 2018	Total For Comparison Year
Residual Balance	2,252,833	3,303,364	5,556,197

A	Total Residual Balance for Comparison Year	5,556,197
B	Total Residual Balance for Base Year	3,661,983
A-B	Difference of Residual Balance	1,894,214
		÷2
	Maximum Repayment for Fiscal Year 2018-19	947,107



CITY OF EAST PALO ALTO

SUCCESSOR AGENCY

2415 University Avenue • East Palo Alto, CA 94303

OVERSIGHT BOARD MEETING DATE: January 25, 2018

DATE: January 25, 2018

TO: Hon. Members of the East Palo Alto Successor Agency Oversight Board

FROM: Brenda Cooley-Olwin, Treasurer

SUBJECT: Important Formal Correspondence from the State Department of Finance to the Successor Agency

BACKGROUND:

This item has been placed on the Oversight Board (the "OB") agenda to inform all Board members of correspondence from the State Department of Finance (DOF) and/or other agencies.

On March 6, 2017 the Successor Agency received a letter from the State DOF confirming approval of the Oversight Board actions taken on January 26, 2017 regarding the Agency's Sponsoring Entity Loans.

ATTACHMENT:

1. March 6, 2017 DOF Letter: Approval of Oversight Board Actions



March 6, 2017

Ms. Brenda Cooley-Olwin, Interim Finance Director
City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303

Dear Ms. Cooley-Olwin:

Subject: 2017-18 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of East Palo Alto Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2017 through June 30, 2018 (ROPS 17-18) to the California Department of Finance (Finance) on January 26, 2017. Finance has completed its review of the ROPS 17-18.

Based on a sample of line items reviewed and application of the law, Finance made the following determination:

On the ROPS 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Pursuant to HSC section 34177 (l) (1) (E), the Agency is required to use all available funding sources prior to Redevelopment Property Tax Trust Fund (RPTTF) for payment of enforceable obligations. During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF.

Therefore, with the Agency's concurrence, the funding source for the following item has been reclassified from RPTTF to Other Funds in the amount specified below:

Item No. 3 – Repayment Agreement with the City of East Palo Alto in the amount of \$5,984. The Agency requests \$600,000 of RPTTF; however, Finance is reclassifying \$5,984 to Other Funds. This item is an enforceable obligation for the ROPS 17-18 period. However, the obligation does not require payment from property tax revenues and the Agency has \$5,984 in available Other Funds. Therefore, Finance is approving RPTTF in the amount of \$594,016 and the use of Other Funds in the amount of \$5,984, totaling \$600,000 for the ROPS 17-18 period.

Except for the item adjusted, Finance is not objecting to the remaining items listed on the ROPS 17-18. If the Agency disagrees with Finance's determination with respect to any items on the ROPS 17-18, except items which are the subject of litigation disputing Finance's previous or related determinations, the Agency 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 on Finance's website:

[http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$2,655,666 as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2017 through December 31, 2017 period (ROPS A period), and one distribution for the January 1, 2018 through June 30, 2018 period (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 17-18 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Finance reviews the Agency's self-reported cash balances on an ongoing basis. The Agency should be prepared to submit financial records and bridging documents to support the cash balances reported upon request.

The Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through June 30, 2016 period (ROPS 15-16). The Agency will report actual payments for ROPS 15-16 on ROPS 18-19, pursuant to HSC section 34186 (a) (1). A prior period adjustment may be applied to the Agency's ROPS 18-19 RPTTF distribution. Therefore, the Agency should retain any unexpended ROPS 15-16 RPTTF.

Absent a Meet and Confer, this is Finance's determination regarding the obligations listed on the ROPS 17-18. This determination only applies to items when funding was requested for the 12-month period.

The ROPS 17-18 form submitted by the Agency and Finance's determination letter will be posted on Finance's website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

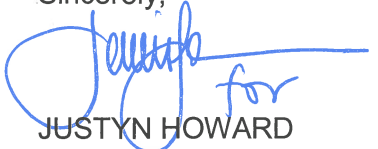
Finance's determination is effective for the ROPS 17-18 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items 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 available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Ms. Brenda Cooley-Olwin
March 6, 2017
Page 3

Please direct inquiries to Wendy Griffe, Supervisor, or Erika Santiago, Lead Analyst, at (916) 322-2985.

Sincerely,


JUSTYN HOWARD
Program Budget Manager

cc: Mr. Carlos Martinez, Economic Development Manager, City of East Palo Alto
Mr. Juan Raigoza, Auditor-Controller, San Mateo County

Attachment

Approved RPTTF Distribution			
For the period of July 2017 through June 2018			
	ROPS A Period	ROPS B Period	ROPS 17-18 Total
RPTTF Requested	\$ 958,575	\$ 1,653,075	\$ 2,611,650
Administrative RPTTF Requested	25,000	25,000	50,000
Total RPTTF Requested	983,575	1,678,075	2,661,650
RPTTF Requested	958,575	1,653,075	2,611,650
<u>Adjustment</u>			
Item No. 3	(5,984)	0	(5,984)
RPTTF Authorized	952,591	1,653,075	2,605,666
Administrative RPTTF Authorized	25,000	25,000	50,000
Total RPTTF Approved for Distribution	\$ 977,591	\$ 1,678,075	\$ 2,655,666