



July 2, 2013

Ms. Sarah Schlenk, Agency Administrative Manager
Oakland Redevelopment Successor Agency
250 Frank H. Ogawa Plaza, #3315
Oakland, CA 94619

Dear Ms. Schlenk:

Subject: Objection of Oversight Board Action

The Oakland Redevelopment Successor Agency (Agency) notified the California Department of Finance (Finance) of its March 18, 2013 Oversight Board (OB) resolution on March 19, 2013. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, the Agency's OB Resolution No. 2013-6 related to the transfer of properties used to fulfill enforceable obligations to the City of Oakland (City) is not approved for the following reasons:

- Transfer of properties pursuant to Purchase and Sale Agreement dated March 3, 2011 between the former redevelopment agency (RDA) and the City of Oakland (City) is not permitted. HSC section 34171 (d) (2) states that contracts and agreements between the former RDA and the City which created the RDA are not enforceable obligations.
- The Agency claims that there are contractual commitments with third parties that make the transfers allowable. However, documentation provided for the Army Base project does not specify an obligation for the former RDA or the Agency to transfer the properties to the City. Similarly, the agreements related to the disposition of the properties for the additional sites do not obligate the Agency to transfer the properties to the City.

Furthermore, the Agency has stated that the transfer of these properties was approved by the State Controller's Office (SCO). If that is true, and we note that the SCO's audit has not been released nor has Finance received a copy of the draft report, then this OB action is inappropriate, as the properties are not under the Agency's control and therefore, there are no properties that the OB needs to approve for transfer to the city.

However, we also note that it is our understanding that a future OB action relating to Phase I of the Agencies Long-Range Property Management Plan, which Finance is in receipt of a draft copy of the resolution, will provide all the necessary actions related to these properties. Finance does not have any issue with the proposed draft OB resolution. Therefore, once that new OB action is approved, that action will suffice as the appropriate vehicle in which to deal with the Army Base properties.

- Transfer of Fox Theater and Parking Garage, Exhibit A items 15 and 16, do not meet the criteria for governmental purpose. HSC section 34181 (a) defines assets used for governmental purpose to include roads, school buildings, parks, police and fire stations, libraries, and local agency administrative buildings. The Fox Theater is a mixed-used facility featuring a performance theater, a bar, and a restaurant/diner. The University of California Office of the President Parking Garage is a public parking garage and also is not strictly used for governmental purposes.

Per HSC section 34191.3, the requirements in subdivision (e) of Section 34177 and subdivision (a) of Section 34181 shall be suspended, except as those provisions apply to the transfers for governmental use, until the Finance has approved a long-range property management plan (LRPMP). Therefore, the properties are to be retained by the Agency and should be placed on the Long Range Property Management Plan (LRPMP) as items to fulfill enforceable obligations.

As authorized by HSC section 34179 (h), Finance is returning your OB action to the board for reconsideration.

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

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Mr. Patrick Lane, Redevelopment Program Manager, City of Oakland
Ms. Carol S. Orth, Tax Analysis, Division Chief, County of Alameda
Mr. Steven Mar, Bureau Chief, Local Government Audit Bureau, State Controller's Office
California State Controller's Office

From: [Redevelopment Administration](#)
To: ["agallucci@cerritos.us"](mailto:agallucci@cerritos.us); ["dmanooogian@cerritos.us"](mailto:dmanooogian@cerritos.us); ["ap@cityofhuron.com"](mailto:ap@cityofhuron.com); ["baiken@roseville.ca.us"](mailto:baiken@roseville.ca.us); ["mhagan@roseville.ca.us"](mailto:mhagan@roseville.ca.us); ["bryan.briggs@ci.ceres.ca.us"](mailto:bryan.briggs@ci.ceres.ca.us); ["finance@clearlake.ca.us"](mailto:finance@clearlake.ca.us); ["city.administrator@clearlake.ca.us"](mailto:city.administrator@clearlake.ca.us); ["financedirector@ci.firebaugh.ca.us"](mailto:financedirector@ci.firebaugh.ca.us); ["jannie.quinn@mountainview.gov"](mailto:jannie.quinn@mountainview.gov); ["patty.kong@mountainview.gov"](mailto:patty.kong@mountainview.gov); ["jimde@ci.garden-grove.ca.us"](mailto:jimde@ci.garden-grove.ca.us); ["mattf@ci.garden-grove.ca.us"](mailto:mattf@ci.garden-grove.ca.us); ["joanne@willitscity.com"](mailto:joanne@willitscity.com); ["John.Montagh@cityofconcord.org"](mailto:John.Montagh@cityofconcord.org); ["Carole.Wilson@cityofconcord.org"](mailto:Carole.Wilson@cityofconcord.org); ["jschwob@fremont.gov"](mailto:jschwob@fremont.gov); ["mbradley@fremont.gov"](mailto:mbradley@fremont.gov); ["kcano@cityofsebastopol.org"](mailto:kcano@cityofsebastopol.org); ["dbrooks@fontana.org"](mailto:dbrooks@fontana.org); ["lstrong@fontana.org"](mailto:lstrong@fontana.org); ["lthomas@marincounty.org"](mailto:lthomas@marincounty.org); ["asbrown@marincounty.org"](mailto:asbrown@marincounty.org); ["Marlene.Murphey@fresno.gov"](mailto:Marlene.Murphey@fresno.gov); ["Debra.Barletta@fresno.gov"](mailto:Debra.Barletta@fresno.gov); ["mmichaelis@marysville.ca.us"](mailto:mmichaelis@marysville.ca.us); ["bfangman@marysville.ca.us"](mailto:bfangman@marysville.ca.us); ["msawicki@cityofsancarlos.org"](mailto:msawicki@cityofsancarlos.org); ["tkwok@cityofsancarlos.org"](mailto:tkwok@cityofsancarlos.org); ["petersenk@accessduarte.com"](mailto:petersenk@accessduarte.com); ["ritzmaa@ci.pacifica.ca.us"](mailto:ritzmaa@ci.pacifica.ca.us); ["rhodess@ci.pacifica.ca.us"](mailto:rhodess@ci.pacifica.ca.us); ["rkellogg@sonoraca.com"](mailto:rkellogg@sonoraca.com); ["kstark@sonoraca.com"](mailto:kstark@sonoraca.com); ["rlara@ci.woodlake.ca.us"](mailto:rlara@ci.woodlake.ca.us); ["mmierzwinski@ci.woodlake.ca.us"](mailto:mmierzwinski@ci.woodlake.ca.us); ["Schlenk_Sarah"](mailto:Schlenk_Sarah); ["Lane_Patrick"](mailto:Lane_Patrick); ["steve.franks@occr.ocgov.com"](mailto:steve.franks@occr.ocgov.com); ["jeff.kirkpatrick@occr.ocgov.com"](mailto:jeff.kirkpatrick@occr.ocgov.com); ["tprzybyla@cityofkerman.org"](mailto:tprzybyla@cityofkerman.org); ["lpatlan@cityofkerman.org"](mailto:lpatlan@cityofkerman.org); ["trhee@bellflower.org"](mailto:trhee@bellflower.org); ["blee@bellflower.org"](mailto:blee@bellflower.org); ["wcosin@ci.berkeley.ca.us"](mailto:wcosin@ci.berkeley.ca.us); ["dhardaway@ci.berkeley.ca.us"](mailto:dhardaway@ci.berkeley.ca.us)
Subject: ROPS 13-14B Template Update
Date: Tuesday, July 02, 2013 4:32:10 PM

Dear Successor Agencies:

Finance plans to have the ROPS 13-14B template available on or before August 15, 2013, and it is due on **October 1, 2013**. Finance is continuing to streamline the ROPS process by creating a new web-based application. Finance will no longer e-mail the ROPS template to agencies and agencies will no longer email the completed template to Finance. Instead, agencies will be notified when the template is available for use on our newly created Redevelopment Agency Dissolution Web Application or *RAD App*. Prior to August 15, 2013, the primary and secondary agency contacts will receive an email with the RAD App web address, user name, password, and instructions.

Agencies will download their pre-populated ROPS template from the RAD App. Once completed and approved by the oversight board (OB), the template will be uploaded to the RAD App with a signed OB resolution. Further instructions and guidance will be provided regarding the downloading and uploading processes. Stay tuned....

The ROPS 13-14B template is primarily the same, with a few enhancements as noted below:

- *ROPS Detail Form*: Two new columns have been added.
 - Obligation Type column: Requires the Agency to choose from a drop-down list and identify the obligation type on the ROPS form.
 - Retired column: Allows the Agency to identify an obligation that has been retired or paid-off on the ROPS form, instead of the Notes Tab form.
- *Prior Period Adjustments Form*: The form now includes a new section for completion by the CAC in its review of the prior period adjustments form.
- *Report of Fund Balances Form*: This new form has been added, requiring the Agency to report the fund balances for each funding source in accordance with HSC section 34177(l).

Again, further instructions and guidance will be available before the template is ready for use. Our goal is to make the ROPS reporting process more streamlined and convenient. Your patience is greatly appreciated while this new process is being implemented.

Thank you,

Department of Finance

Redevelopment Agency Administration

From: [Ark, Satveer](#)
To: [Schlenk, Sarah](#)
Subject: RE: Resolution 2013-11
Date: Monday, July 15, 2013 11:40:34 AM

I received the information from David Jones. Thank you.

Satveer Ark
Department of Finance
Phone: (916) 327-0137 ext. 3715

From: Schlenk, Sarah [mailto:SSchlenk@oaklandnet.com]
Sent: Monday, July 15, 2013 11:38 AM
To: Ark, Satveer
Subject: RE: Resolution 2013-11

Please confirm you received the response from David Jones. Thanks!

From: Ark, Satveer [mailto:Satveer.Ark@dof.ca.gov]
Sent: Thursday, July 11, 2013 11:37 AM
To: Schlenk, Sarah
Subject: Resolution 2013-11

Good Morning Sarah,

I am reviewing Resolution 2013-11 which was submitted by the Agency to Finance on June 20, 2013.

Please send me a debt service schedule for the Series 2005 Bonds.
Do you know what the dollar amount will be for the new 2013 bonds?

Thank you,
Satveer Ark
Department of Finance
Phone: (916) 327-0137 ext. 3715

From: [Jones, David](#)
To: satveer.ark@dof.ca.gov
Cc: dkopinski@ejdelarosa.com; rholmes@ejdelarosa.com; [Kasaine, Katano](#); michaelb@urbanfuturesinc.com; [Schlenk, Sarah](#)
Subject: Oakland DS Schedule
Date: Friday, July 12, 2013 10:45:58 AM
Attachments: [sharpscan@oaklandnet.com_20130712_115848.pdf](#)

Hi Satveer

Attached is the requested schedule and the estimated par amount for the 2013 Bonds is \$106,245,000

Thanks
David Jones
510.238.6508

-----Original Message-----

From: sharpscan@oaklandnet.com [<mailto:sharpscan@oaklandnet.com>]
Sent: Friday, July 12, 2013 11:59 AM
To: Jones, David
Subject: Scanned image from MX-M350N

DEVICE NAME: Not Set
DEVICE MODEL: MX-M350N
LOCATION: Not Set

FILE FORMAT: PDF MMR(G4)
RESOLUTION: 300dpi x 300dpi

Attached file is scanned image in PDF format.

Use Acrobat(R)Reader4.0 or later version, or Adobe(R)Reader(TM) of Adobe Systems Incorporated to view the document.

Acrobat(R)Reader4.0 or later version, or Adobe(R)Reader(TM) can be downloaded from the following URL:
Adobe, the Adobe logo, Acrobat, the Adobe PDF logo, and Reader are registered trademarks or trademarks of Adobe Systems Incorporated in the United States and other countries.

<http://www.adobe.com/>

Oakland Redevelopment Agency
 Central District Redevelopment Project
 Subordinate Tax Allocation Bonds, Series 2005
 Debt Service Schedule as of January 1, 2013

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
3/1/2013			799,250.00	799,250.00	-
9/1/2013			799,250.00	799,250.00	1,598,500.00
3/1/2014			799,250.00	799,250.00	-
9/1/2014			799,250.00	799,250.00	1,598,500.00
3/1/2015			799,250.00	799,250.00	-
9/1/2015			799,250.00	799,250.00	1,598,500.00
3/1/2016			799,250.00	799,250.00	-
9/1/2016			799,250.00	799,250.00	1,598,500.00
3/1/2017			799,250.00	799,250.00	-
9/1/2017			799,250.00	799,250.00	1,598,500.00
3/1/2018			799,250.00	799,250.00	-
9/1/2018			799,250.00	799,250.00	1,598,500.00
3/1/2019			799,250.00	799,250.00	-
9/1/2019			799,250.00	799,250.00	1,598,500.00
3/1/2020			799,250.00	799,250.00	-
9/1/2020	12,870,000.00	5.000%	799,250.00	13,669,250.00	14,468,500.00
3/1/2021			477,500.00	477,500.00	-
9/1/2021	14,775,000.00	5.000%	477,500.00	15,252,500.00	15,730,000.00
3/1/2022			108,125.00	108,125.00	-
9/1/2022	4,325,000.00	5.000%	108,125.00	4,433,125.00	4,541,250.00
Total	31,970,000.00		13,959,250.00	45,929,250.00	45,929,250.00