AGENDA

Oversight Board
Thursday, June 21, 2012
2:00 p.m. - 4:00 p.m.

Redwood Shores Library
399 Marine Parkway
Redwood City, CA  94065
Meeting Room A

Members:
David Holland, Chair
Mike Roberts, Vice Chair
Steve Abbors
Alicia Aguirre
Blake Lyon
Barbara Christensen
Enrique Navas

City Staff as Successor Agency Attendees:
Bob Bell, City Manager
Bill Ekern, Community Development Director
Alison Freeman, Finance Manager
Brian Ponty, Finance Director/Assistant City Manager
Veronica Ramirez, Assistant City Attorney
Pamela Thompson, City Attorney
Silvia Vonderlinden, City Clerk
Craig Labadie, Special Counsel

I. Call to Order
Chair

II. Roll Call
Chair

III. Public Comments
NOTE: Speakers are limited to three minutes, unless modified by the Chairperson. The Board cannot take action on any matter raised under this item.
Chair

IV. Approval of Minutes
Chair

V. Review and Approval of Revised First Recognized Obligation Payment Schedule (January 1, 2012 - June 30, 2012)
Brian Ponty

(Oversight Board Binder Tab No. 5)

VI. Information Only Report: Assets of the Former Redevelopment Agency
Brian Ponty
Bill Ekern
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Approver</th>
</tr>
</thead>
<tbody>
<tr>
<td>VII.</td>
<td>Information Only Report: Communications with the Department of Finance</td>
<td>Brian Ponty</td>
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<tr>
<td>VIII.</td>
<td>Set Date and Agenda for Next Board Meeting</td>
<td>Brian Ponty</td>
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<td>IX.</td>
<td>Oral Communications from the Successor Agency Contact</td>
<td>Brian Ponty</td>
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<tr>
<td>X.</td>
<td>Adjourn</td>
<td>Chair</td>
</tr>
</tbody>
</table>
I. Call to Order

II. Roll Call - Mike Roberts absent - all others present

The Chair made opening comments about clarity on what will be on future agendas and how it would be helpful to take one motion for each item decided upon.

III. Public Comments - There was no public comment

IV. Approval of Minutes

The Chair said there were a couple of small revisions. Member Navas said he had comments and he sent them to Brian and the City Clerk. Mr. Blake Lyon noted he should be listed as a Member of the Oversight Board and not staff. Furthermore, Mr. Lyon said that he did abstain on item four, because he was not present at the previous meeting.
M/S Christensen/Navas to approve the Minutes for April 12, 2012 with
minor revisions. **Motion carried unanimously by voice vote.**

One Member wanted greater clarity on why certain items were not on
the agenda and responded to, but the minutes said these were going to
be addressed at today’s meeting. She asked if Mr. Ponty had flagged
everything that should be at the next agenda. He responded that it is
helpful if there is consensus on what is to be addressed at the next
meeting.

Member Navas suggested reordering a certain item on the Agenda.
Chair Holland concurred and moved agenda item VII to the front of
agenda item V.

**Item VII was addressed first.**

### VII. Oral Communications from the Successor Agency Contact

- a. Update from State Department of Finance
- b. Update on Audit
- c. Update on Legal Expenses

Mr. Ponty provided some clarifying comments about the ROPS before the
Board which is revised and it includes the corrected citations. On page
three the change was the funding source for the Successor Agency and
an addition (item 21) (of page one) relating to the audit of the former
redevelopment agency.

Mr. Ponty noted that the Department of Finance (DOF) informed staff
that they were disallowing certain items. He provided further details on
which items of the first ROPS were disallowed. Mr. Ponty cross
referenced those items and row numbers to the current ROPS in front of
the Oversight Board and noted the changes made. Ms. Ramirez said that
the only items disqualified were items six and seven, and that the DOF
requested further information and they identified other items as
administrative costs. Mr. Ponty cross referenced the items from the
letter to the first ROPS that had been approved. He provided details on
various bonds that had been issued to clarify the items on the ROPS.

Ms. Thompson, City Attorney, was asked to respond to items related to
the legal budget. She handed out a proposed budget of $24,000 and
commented that to date $2,500 has been spent. Mr. Ponty continued
explaining the items which were disallowed item by item. On item #9 Mr.
Ekern, Director of Community Development, provided details on the
agreement between City Hall and the US Postal Service. Regarding item
#16 (legal fees for Mr. Labadie) the Department of Finance believes this
should be within the Administrative Budget. Ms. Ramirez said that staff
is trying to work with the Department of Finance to provide additional
information. She also said staff is asking for time to review the details,
the first ROPS, and possibly the second ROPS. Mr. Labadie added that
such items cannot be processed until the Department of Finance
approves them.

Mr. Ponty then provided an update on the audit of the Redevelopment
Agency. The Chair said since this is completed then move to item V and
the Chair would like individual votes on each item discussed and voted on.

V. Review and Approval of Second Recognized Obligation Payment Schedule (July 1, 2012 – December 31, 2012)

The Board discussed the items on the second ROPS. Ms. Ramirez responded to questions about the trust fund. There were questions about reserves; Mr. Ponty said that to his understanding, the reserves from the housing funds have to go back and cannot be used. The Board discussed different legislation that is being considered by the Legislature.

Mr. Ponty went through the ROPS, line item by line item. Questions were posed on item 1 – Tax Allocation Bonds and 2 – Interest on those Bonds. 
M/S Christensen/Navas to approve items #1 and #2. Motion carried unanimously.
On Line Item # 3 the consensus was to just keep it as a place holder.
M/S Christensen/Aguirre to approve item #3. Motion carried unanimously.
The discussion was to have item #4 remain here and it will be paid off on the third ROPS.
M/S Blake/Christensen to approve item #4. Motion carried unanimously.
M/S Navas/Abbors to approve items #5 and 6 pending the outcome of the Department of Finance. Motion carried unanimously.
Ms. Ramirez said that these will be and see what happens.
M/S Abbors/Navas to approve item #7 for fiscal agent fees. Motion carried unanimously.
M/S Navas/Abbors to approve item #8 pending the determination of the DOF. Motion carried unanimously.
M/S Abbors/Holland to approve item #9 pending the determination of the DOF. Motion carried unanimously.
One Board Member inquired about these two last items and Ms. Ramirez confirmed. Mr. Labadie said that this was not disallowed, but will be pulled from the SA Administrative Budget
M/S Navas/Lyon to approve item #10 on the ROPS, pending determination by County Controller. Motion carried unanimously.
M/S Christensen/Aguirre to approve item #11 relating to Bradford Street. Mr. Lyon asked about the payments done over 6 months, and Mr. Ekern said the work is not done. Also the question arose as to why this would not come out of the low/moderate income housing fund. Mr. Labadie said this is locked down so he does not see it being possible. One Member said that other agencies are using it and the Chair offered to ask of the County Controller. Motion carried unanimously.
Mr. Abbors would like the same question asked for 12 and 13.
M/S Lyon/Abbors to approve item #12. This was discussed because the property will be sold. Furthermore, the question was asked as to why the Successor Agency should pay for the remediation if the City is going to keep the money. Mr. Ponty said that originally it was owned by the Agency and then moved out to the Successor Agency. Ms. Ramirez clarified these are low and moderate housing and provided additional details. Motion carried with Christensen and Navas opposing.
M/S to Christensen/Lyon to approve Item #13 relating to the property at
Heller and the site remediation.  **Motion carried unanimously.**  
M/S Christensen/Abbors to approve item #14 the Housing Endowment Funding Trust. **Motion carried unanimously.**  
M/S Lyon/Aguirre to approve item #15. **Motion carried unanimously.**  
M/S Navas/Christensen to approve item #16 pending determination whether this will be part of the Administrative Costs. **Motion carried unanimously.**  
M/S Christensen/Abbors to approve items 17, 18, 19, 20 and leave them in the ROPS as placeholders. **Motion carried unanimously.**  
M/S Christensen/Navas to approve item #21 relating to the audit of the Redevelopment Agency. **Motion carried unanimously.**

Mr. Ponty said that on page two no action is required by the Board since these are Pass Through payments. Ms. Ramirez said these are contractual agreements.  
M/S Christensen/Navas to approve items #1 through #9 on page two. **Motion carried unanimously.**  
On item #10 Ms. Ponty was asked to provide a synopsis of the prior discussion. This is the last payment to the Legal Aid Society.  
M/S Christensen/Aguirre on item #10. **Motion carried unanimously.**

On Page #3 staff asked that the Board approve a Successor Agency Administrative Cost Allowance of $250,000. Mr. Navas asked what would happen if the determination items from page one would fall under here. Mr. Ponty said that the other items would have to come out of the general fund and place more obligations on the City.  
M/S Navas/Abbors to approve the item on page #3. **Motion carried unanimously.**

**VI. Set Date and Agenda for Next Board Meeting**

There was a suggestion to have one regular meeting a month. There was some discussion about dates and days that would work. The Third Thursday of the month seemed to be good days for the majority.

The Oversight Board approve the following dates for its next meetings:  
- June 21 at 2:00 p.m. at the Redwood Shores Library  
- July 19 at 2:00 p.m. at the Redwood Shores Library  
- August 16 at 2:00 p.m. at the Redwood Shores Library

The Chair said that items for the next agenda should be sent to him. There was a question about placing the former RDA audit onto the next agenda. Mr. Ponty said that the Board is free to look at the audit, but the County Controller will issue a final report in July. Mr. Abbors wanted detailed financial sheets for various funds to see where the money is coming from. Mr. Ponty said that the detailed financials have been provided. Mr. Ponty provided a Flow of Funds under AB 1X 26 and explained the items, but no action was taken on the matter. He said that there are some arithmetic issues that are unresolved.

**VII. Oral Communications from the Successor Agency Contact (addressed earlier)**

- Update from State Department of Finance  
- Update on Audit  
- Update on Legal Expenses
VIII. **Adjourn** - the meeting adjourned at 3:10 p.m.

Respectfully submitted,

_________________________
Silvia Vonderlinden,
City Clerk

Submitted for approval at the Oversight Board meeting of June 21, 2012.
Agenda Report

To: Oversight Board Members

From: Brian Ponty, Finance Director

Date: June 21, 2012

Re: Review and Approval of the Revised 1st ROPS

Recommendation

It is recommended that the Oversight Board approve a revised Recognized Obligation Payment Schedule (ROPS) for the period covering January through June 2012 (1st ROPS) (Attachment Three).

Background

The City of Redwood City Redevelopment Agency (Agency) is responsible for making annual debt service payments on the 2003 Tax Allocation Bonds. In accordance with the Indenture of Trust under which the bonds were issued, payments must be submitted to the trustee by the Agency out of available tax increment revenue as it is received to satisfy the debt service requirements for the upcoming bond year (payments made to bondholders on January 15 and July 15 of each year). The Agency received tax increment revenue from the County in the Fall of 2011, and determined that $960,562 was available to remit to the bond trustee for debt service payments related to bond year ending July 15, 2012. The Agency remitted this sum to the trustee in November 2011.

These funds were remitted before the California Supreme Court rendered its decision in California Redevelopment Association vs. Matasantos (S194861) when it was unclear what appropriate course of action should have been taken. City staff acted in good faith to fulfill its obligations under the Indenture of Trust and transferred the funds to the trustee.

The trustee paid bondholders interest payments totaling $280,337.50 (which is included on the ROPS approved by the Oversight Board on April 12, 2012) on January 15, 2012, leaving a balance of $680,224.50 to be applied against the principal payment ($2,480,000) and the interest payment ($280,337.50) due to bondholders on July 15, 2012. Because the $680,224.50 had already been remitted to the trustee, this amount was excluded from the first ROPS, and only the net amount owed to the trustee was
reflected on the 2nd ROPS for the July 2012 bondholder payment. As the $680,224.50 was not included on the 1st ROPS, the County requested that this amount be returned with the unspent tax increment. Because these funds were transferred to the trustee these funds were not returned to the County.

After thoroughly discussing this situation with the staff from the County Controllers’ Office and the State Department of Finance (DOF), the DOF advised that the Successor Agency should revise the 1st ROPS, submit this revised ROPS to the DOF and County, and then bring it back to the Oversight Board and request that the Board approve it. On May 29, 2012, Successor Agency staff revised the 1st ROPS accordingly and submitted the revised 1st ROPS to the DOF and the County Controller with a note that staff would be seeking the Oversight Board’s approval on June 21, 2012. The DOF issued a letter to the City on May 31 evidencing its approval of the revised 1st ROPS (Attachment One).

The ROPS submitted for your approval also removes items disqualified by the DOF which the City is not contesting.

Attached is a summary of the changes made to the ROPS presented to you for approval (Attachment Two).

_________________________
Brian Ponty
Finance Director, Successor Agency

**ATTACHMENTS**
1. Letter from DOF to City dated May 31, 2012
2. Listing of changes to proposed revised 1st ROPS
3. Proposed Revised 1st ROPS
4. Original 1st ROPS approved by the Oversight Board on April 12, 2012.
May 31, 2012

Brian Ponty, Finance Director
City of Redwood City
1017 Middlefield Road
Redwood City, CA 94063

Dear Mr. Ponty:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Redwood City Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 29, 2012 for the period January to June 2012 and on May 9, 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.

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

**January through June 2012**

- Page 1, item 6 and 7 for Capital Improvements totaling $2.5 million. HSC section 34171 (d) (2) states loan arrangements between the City and the former redevelopment agency not enforceable obligations. This item is to pay back bonds issued by the city.

- HSC section 34171 (b) limits administrative costs to five percent of property tax allocated or $250,000, whichever is greater. Five percent of the property tax allocated is $95,133. Therefore, $848,427 of the claimed $1,098,427 is not an EO. The following items are costs: Page 1 – items 9, 10, 12, 35, 40, 41, 42, 46 and Page 3 – Item 1.

**July through December 2012**

- Page 1, item No. 5 and 6 for Capital Improvements totaling $1.6 million. HSC section 34171(d) (2) states loan arrangements between the City and the former redevelopment agency are not enforceable obligations.

Except for items disallowed in whole or in part as enforceable obligations noted above, Finance is approving the remaining items listed in your ROPS for both periods. This letter supersedes previous letters sent from out office and is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund 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 Redevelopment Property Tax Trust Fund (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 Robert Scott, Supervisor or Jenny DeAngells, Lead Analyst at (916) 322-2965.

Sincerely,

[Signature]

MARK HILL
Program Budget Manager

cc: Ms. Kristen Mees, Economic Development Secretary, City of Redwood City
Mr. Bob Adler, Auditor Controller, San Mateo County
Ms. Shirley Tourel, Manager, Auditor Controller of San Mateo
### List of Changes Proposed to the Revised 1st ROPS

<table>
<thead>
<tr>
<th>Page/Line #</th>
<th>Description</th>
<th>1st ROPS (4/13/12)</th>
<th>1st ROPS (6/21/12)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2</td>
<td>Interest payments for bonds issued for RDA Project Area No. 2</td>
<td>280,338</td>
<td>960,562</td>
</tr>
<tr>
<td>1/9</td>
<td>Legal services related to RDA and Real Property Agreement</td>
<td>23,607</td>
<td>-</td>
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<tr>
<td>1/10</td>
<td>Legal services related to RDA and Real Property Agreement</td>
<td>520</td>
<td>-</td>
</tr>
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<td>1/12</td>
<td>Monthly flat rental fee of OCE copy machine + photocopies</td>
<td>3,256</td>
<td>-</td>
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<tr>
<td>1/35</td>
<td>Consulting services to implement economic development reorganization</td>
<td>11,761</td>
<td>-</td>
</tr>
<tr>
<td>1/40</td>
<td>Audit services for redevelopment activities</td>
<td>256</td>
<td>-</td>
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<tr>
<td>1/41</td>
<td>Project related payroll and benefits</td>
<td>28,088</td>
<td>-</td>
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<tr>
<td>1/42</td>
<td>ABx1 26 implementation costs</td>
<td>6,065</td>
<td>-</td>
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<tr>
<td>1/46</td>
<td>Oversight Board Legal Fees</td>
<td>24,000</td>
<td>-</td>
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<tr>
<td>3/1</td>
<td>Successor Agency Budget</td>
<td>1,000,874</td>
<td>-</td>
</tr>
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</table>
### Proposed Revised 1ST ROPS

**Attachment 3**

#### REVISED FIRST RECOGNIZED OBLIGATION PAYMENT SCHEDULE

For RBP 26 - Section 34117

<table>
<thead>
<tr>
<th>Project Name / Bond / Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>Jan 2012</th>
<th>Feb 2012</th>
<th>Mar 2012</th>
<th>Apr 2012</th>
<th>May 2012</th>
<th>Jun 2012</th>
<th>Total Due During Fiscal Year 2011-2012*</th>
<th>Funding Source</th>
<th>Payment by Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Proposed Revised 1ST ROPS</td>
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</tbody>
</table>

### Attachment 3

- **Project Area(s):** All

### REVISED FIRST RECOGNIZED OBLIGATION PAYMENT SCHEDULE

#### Obligation Expansion Date

- **As of Jan. 1, 2012**

#### Total Outstanding Debt or Obligation

- **RPTTF**

#### Due During Fiscal Year 2011-2012*

- **RPTTF**

#### Funding Source

- **RPTTF**

#### Payment by Month

- **RPTTF**

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### Details

- **Project Debt**: Bonds - Debt service for bonds issued for RDA Project Area No. 1
- **Projected Revised 1ST ROPS**: Project Area(s): All
- **Attachment 3**: Project Area: 3

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### Sample Table

<table>
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<tbody>
<tr>
<td>5. Proposed Revised 1ST ROPS</td>
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</tbody>
</table>

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### Notes

1. **(1)** Monthly photocopying varies by month, but approximately $600 per month is reflected in the monthly cost.
2. **(2)** Projects include the Hoover Mobility Project, Marina Area Planning Study, Transit Connectivity Project, Grand Blvd. Streetscapes, Depot Circle, and Parking Facilities; costs include planning, design, and administrative costs.
3. **(3)** See attached categories for key cross-referenced Section 15015 purposes.
4. **(4)** Original amount in this item was subsequently understated.

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### Additional Observations

- **$37,890,000**: Cost charged by San Mateo County for administration of property tax
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### Final Remarks

- **All totals during fiscal year and payment amounts are projected.**
- **Funding sources from the successor agency.** (For fiscal year-to-date, only references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)
- **RPTTF - Redevelopment Property Tax Trust Fund**
- **Bonds - Bond proceeds**
- **LMHIF - Low and Moderate Income Housing Fund**
- **Successor Agency: Administrative Allowance**
### Proposed Revised 1ST ROPS

**Attachment 3**

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>As of Jan. 1, 2012 Total Outstanding Debt or Obligation</th>
<th>Obligation Expiration Date</th>
<th>Obligation Due During Fiscal Year 2011-2012</th>
<th>Total Due During Fiscal Year 2011-2012</th>
<th>Credit or Debit</th>
<th>Funding Source</th>
<th>Payments by month</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>1. Affordable Housing Funds - Legal Aid Society Agreement</td>
<td>Housing Successor Agency</td>
<td>Society Land Use Incentive for Affordable Housing - moved to page 14</td>
<td>5.460</td>
<td>147,530</td>
<td>LMIHF</td>
<td>5.460</td>
<td>147,530</td>
<td>LMIHF</td>
<td>5.460</td>
<td>147,530</td>
</tr>
<tr>
<td>2. Cedar Street Affordable Housing</td>
<td>Cedar Street Apartments</td>
<td>Provide office improvements CMA for 25204 - RDA Housing Fund - PO 48682</td>
<td>2,180</td>
<td>3,140</td>
<td>LMIHF</td>
<td>2,180</td>
<td>3,140</td>
<td>LMIHF</td>
<td>2,180</td>
<td>3,140</td>
</tr>
<tr>
<td>3. Bradford Street Affordable Housing</td>
<td>Bradford Street Apartments</td>
<td>Provide training for the environmental assessment - PO 48682</td>
<td>123,692</td>
<td>0</td>
<td>LMIHF</td>
<td>123,692</td>
<td>0</td>
<td>LMIHF</td>
<td>123,692</td>
<td>0</td>
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<tr>
<td>4. Project administration for Bradford Street</td>
<td>Green Environment, Inc.</td>
<td>Project environmental assessment for Bradford Street - PO 48682</td>
<td>7,998</td>
<td>0</td>
<td>LMIHF</td>
<td>7,998</td>
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<td>LMIHF</td>
<td>7,998</td>
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<tr>
<td>6. Construction consulting services</td>
<td>Construction Consultants</td>
<td>Provide training for the construction consulting services - PO 48682</td>
<td>2,550</td>
<td>0</td>
<td>LMIHF</td>
<td>2,550</td>
<td>0</td>
<td>LMIHF</td>
<td>2,550</td>
<td>0</td>
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<tr>
<td>8. Housing Endowment and Regional Trust Program</td>
<td>Housing Endowment and Regional Trust</td>
<td>Provide administrative services to the Program - Resolution HC/SC/US-Trust RDA Housing Endowment</td>
<td>0</td>
<td>0</td>
<td>LMIHF</td>
<td>0</td>
<td>0</td>
<td>LMIHF</td>
<td>0</td>
<td>0</td>
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<tr>
<td>10. Housing Rehab Program - Free Exterior Paint Program - 1117 Fay St.</td>
<td>R.E. Broocker Paint Co.</td>
<td>Painted house exterior RDA Housing</td>
<td>4,700</td>
<td>0</td>
<td>LMIHF</td>
<td>4,700</td>
<td>0</td>
<td>LMIHF</td>
<td>4,700</td>
<td>0</td>
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<tr>
<td>12. Rolison Road Affordable Housing</td>
<td>James J. Nicholas</td>
<td>Appraisal services for 2272 Rolison Road RDA Housing - PO 48682</td>
<td>2,950</td>
<td>0</td>
<td>LMIHF</td>
<td>2,950</td>
<td>0</td>
<td>LMIHF</td>
<td>2,950</td>
<td>0</td>
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<tr>
<td>13. Affordable Housing Fund and Kathleen Mahaney Legacy Program</td>
<td>Housing Successor Agency</td>
<td>Funds given to the Affordable Housing Fund for provision of assistance.</td>
<td>40,918</td>
<td>0</td>
<td>Other</td>
<td>40,918</td>
<td>0</td>
<td>Other</td>
<td>40,918</td>
<td>0</td>
</tr>
<tr>
<td>14. Housing administrative use of a photocopier machine</td>
<td>Housing Successor Agency</td>
<td>Photocopier used by the Housing Successor Agency</td>
<td>95,557</td>
<td>104,119</td>
<td>LMIHF</td>
<td>95,557</td>
<td>104,119</td>
<td>LMIHF</td>
<td>95,557</td>
<td>104,119</td>
</tr>
<tr>
<td>15. Public improvements for downtown revitalization with bond funds</td>
<td>Housing Successor Agency</td>
<td>Bond funds to be used for public improvements - bondholder covenants</td>
<td>100,700</td>
<td>0</td>
<td>Bond</td>
<td>100,700</td>
<td>0</td>
<td>Bond</td>
<td>100,700</td>
<td>0</td>
</tr>
<tr>
<td>16. Refundable security deposits</td>
<td>Board of Supervisors</td>
<td>Refundable security deposit for business using hotel at Courthouse Square</td>
<td>500</td>
<td>0</td>
<td>Other</td>
<td>500</td>
<td>0</td>
<td>Other</td>
<td>500</td>
<td>0</td>
</tr>
<tr>
<td>17. Refundable security deposits</td>
<td>Board of Supervisors</td>
<td>Refundable security deposit for business using hotel at Courthouse Square</td>
<td>7,955</td>
<td>0</td>
<td>Other</td>
<td>7,955</td>
<td>0</td>
<td>Other</td>
<td>7,955</td>
<td>0</td>
</tr>
<tr>
<td>18. Refundable security deposits</td>
<td>R. Wilson &amp; S. Graham</td>
<td>Refundable security deposit for business using the space for outdoor dining</td>
<td>1,500</td>
<td>0</td>
<td>Other</td>
<td>1,500</td>
<td>0</td>
<td>Other</td>
<td>1,500</td>
<td>0</td>
</tr>
<tr>
<td>19. Administrative Services - Public Health Services</td>
<td>Public Health Services</td>
<td>Administrative Services - Public Health Services</td>
<td>373,028</td>
<td>0</td>
<td>LMIHF</td>
<td>373,028</td>
<td>0</td>
<td>LMIHF</td>
<td>373,028</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>1,176,436</strong></td>
<td><strong>312,308</strong></td>
<td><strong>49,889</strong></td>
<td><strong>5,053</strong></td>
<td><strong>1,526</strong></td>
<td><strong>526</strong></td>
<td><strong>526</strong></td>
<td><strong>526</strong></td>
</tr>
</tbody>
</table>

- *All total due during fiscal year and payment amounts are projected.*
- **Funding sources from the successor agency:** For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.
- **RPTTF - Redevelopment Property Tax Trust Fund**
- **LMIHF - Low and Moderate Income Housing Fund**
- **Other - reserves, rents, other earnings, etc**

---

(1) Jim Smith Housing Trust Fund - A former association provided money to the the RDA Housing Fund to help families coming out of shelters with rental deposits and to assist low income families at risk of losing their homes. The Kathleen Mahaney Program makes 1% loans payable over 2 years, pay housing security deposits or emergency rent for people at risk of losing homes.

(2) Monthly photocopying varies by month, but approximately $400 per month that’s reflected in the monthly cost.

(3) 2003 Tax Allocation Bond Construction Fund issued in 2003 to finance programs, projects, and activities related to the project areas - Jefferson Underground Garage, Block 2 Parking, land assembly for parking, downtown streetscape improvements, curb/ gutter, directional signage, functional incentives for private development, downtown precision plan, Courthouse Square restoration and place.

(4) See attached category for key cross referenced Section 34167 purposes.
## REVISED FIRST RECOGNIZED OBLIGATION PAYMENT SCHEDULE

**Per AB 26 - Section 34177**

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>As of Jan 1, 2012 Total Outstanding Debt or Obligation</th>
<th>Obligation Expiration Date</th>
<th>Total Due During Fiscal Year 2011-2012*</th>
<th>Funding Source **</th>
<th>Payable from the Administrative Allowance Allocation Payments by month</th>
<th>[4] Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) General Administrative Services</td>
<td>1) Successor Agency</td>
<td>Successor Agency Budget</td>
<td>1,000,874</td>
<td>2012</td>
<td>1,350,844</td>
<td>RPTTF</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2) Low and Mod. General Administrative Services</td>
<td>2) Successor Agency</td>
<td>City administrative services provided to Agency Low &amp; Moderate Housing per Agreement</td>
<td>493,562</td>
<td>2012</td>
<td>104,413</td>
<td>LMIHF</td>
<td>21,475</td>
<td>-</td>
</tr>
<tr>
<td>3) Successor Agency Administrative Cost Allowance</td>
<td>3) Successor Agency</td>
<td>Minimum amount of property tax due to successor Agency for general admin. costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td><strong>Totals - This Page</strong></td>
<td></td>
<td></td>
<td>1,494,436</td>
<td></td>
<td>1,455,257</td>
<td></td>
<td>21,475</td>
<td>-</td>
</tr>
</tbody>
</table>

*All total due during fiscal year and payment amounts are projected.*

**Funding sources from the successor agency: (For fiscal 2011-12 only, reference to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)**

- **RPTTF - Redevelopment Property Tax Trust Fund**
- **Bonds - Bond proceeds**
- **Other - reserves, rents, interest earnings, etc**
- **LMIHF - Low and Moderate Income Housing Fund**
- **Admin - Successor Agency Administrative Allocation**

(1) Amount reimbursable to City for operations, including salaries, overhead and professional services pursuant to the agreement between the City and Redevelopment Agency, including the minimum statutory allowance of $250,000.

(2) Amount reimbursable to City for operations, including salaries, overhead and professional services pursuant to the agreement between the City and Redevelopment Agency.

(3) Statutory amount allowed for administration ($250,000) is included on line 1.

(4) See attached category for key cross referenced Section 34167 purposes.
### REVISED FIRST OTHER OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee Description</th>
<th>Jan 2012</th>
<th>Feb 2012</th>
<th>Mar 2012</th>
<th>Apr 2012</th>
<th>May 2012</th>
<th>Jun 2012</th>
<th>Total Due During Fiscal Year 2011-12*</th>
<th>Funding Source **</th>
</tr>
</thead>
<tbody>
<tr>
<td>2) Pass Through Payments</td>
<td>TRA SEQUOIA UNION H.S. DISTRICT Agreement per former CRL 33401</td>
<td>$477,621</td>
<td>$223,992</td>
<td>$223,992</td>
<td>$223,992</td>
<td>$223,992</td>
<td>$223,992</td>
<td>$223,992</td>
<td>RPTTF</td>
</tr>
<tr>
<td>3) Pass Through Payments</td>
<td>TRA SMC COLLEGE DISTRICT Agreement per former CRL 33401</td>
<td>$207,406</td>
<td>$97,268</td>
<td>$97,268</td>
<td>$97,268</td>
<td>$97,268</td>
<td>$97,268</td>
<td>$97,268</td>
<td>RPTTF</td>
</tr>
<tr>
<td>4) Pass Through Payments</td>
<td>TRA MID PEN. OPEN SPACE DIST Agreement per former CRL 33401</td>
<td>$56,160</td>
<td>$26,338</td>
<td>$26,338</td>
<td>$26,338</td>
<td>$26,338</td>
<td>$26,338</td>
<td>$26,338</td>
<td>RPTTF</td>
</tr>
<tr>
<td>5) Pass Through Payments</td>
<td>TRA SMC HARBOR DISTRICT Agreement per former CRL 33401</td>
<td>$10,783</td>
<td>$5,057</td>
<td>$5,057</td>
<td>$5,057</td>
<td>$5,057</td>
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<td>$5,057</td>
<td>RPTTF</td>
</tr>
<tr>
<td>6) Pass Through Payments</td>
<td>TRA SMC MOSQUITO ABATE DIST Agreement per former CRL 33401</td>
<td>$5,870</td>
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<td>$2,753</td>
<td>$2,753</td>
<td>$2,753</td>
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<td>RPTTF</td>
</tr>
<tr>
<td>7) Pass Through Payments</td>
<td>TRA SMC OFFICE OF EDUCATION Agreement per former CRL 33401</td>
<td>$107,997</td>
<td>$50,620</td>
<td>$50,620</td>
<td>$50,620</td>
<td>$50,620</td>
<td>$50,620</td>
<td>$50,620</td>
<td>RPTTF</td>
</tr>
<tr>
<td>8) Pass Through Payment</td>
<td>County of San Mateo County Share of Tax Increment per Agreement to expand the RDA project area</td>
<td>$497,064</td>
<td>$1,406,073</td>
<td>$1,406,073</td>
<td>$1,406,073</td>
<td>$1,406,073</td>
<td>$1,406,073</td>
<td>$1,406,073</td>
<td>RPTTF</td>
</tr>
<tr>
<td>10) Legal Aid Society Agrmt.</td>
<td>Housing Successor Agency County share of tax increment to be used for affordable housing per LAS</td>
<td>$1,644,285</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>LMIHF</td>
</tr>
<tr>
<td>11)</td>
<td>County of San Mateo County share of tax increment to be used for affordable housing per LAS</td>
<td>$1,644,285</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>LMIHF</td>
</tr>
<tr>
<td>12)</td>
<td>County of San Mateo County share of tax increment to be used for affordable housing per LAS</td>
<td>$1,644,285</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>$782,271</td>
<td>LMIHF</td>
</tr>
</tbody>
</table>

** Totals - Other Obligations | | $3,741,366 | $2,944,757 | $792,271.00 | $792,271.00 | $792,271.00 | $792,271.00 | $792,271.00 | **

* All total due during fiscal year and payment amounts are projected.

** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

RPTTF - Redevelopment Property Tax Trust Fund
LMIHF - Low and Moderate Income Housing Fund
Admin - Successor Agency Administrative Allowance

(1) Item was moved from Page 2, line item 1.
(2) See attached category for key cross referenced Section 34167 purposes.
Enforceable Obligations

34167. This part is intended to preserve, to the maximum extent possible, the revenues and assets of redevelopment agencies so that those assets and revenues that are not needed to pay for enforceable obligations may be used by local governments to fund core governmental services including police and fire protection services and schools.

(d) For purposes of this part, “enforceable obligation” means any of the following:

Category

(1) Bonds, as defined by Section 33602 and bonds issued pursuant to Section 5850 of the Government Code, including the required debt service, reserve set-asides and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the redevelopment agency.

(2) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, including, but not limited to, moneys borrowed from the Low and Moderate Income Housing Fund, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(3) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than pass through payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies’ employees, including, but not limited to, pension payments, pension obligation debt service, and unemployment payments.

(4) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than pass through payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.

(5) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.

(6) Contracts or agreements necessary for the continued administration or operation of the redevelopment agency to the extent permitted by this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.
## RECOGNIZED OBLIGATION PAYMENT SCHEDULE

### As of Jan. 1, 2012

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Proposed Revised 1st ROPS</td>
<td></td>
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<td>176,436</td>
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<td>0</td>
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<tr>
<td>2. Proposed Revised 1st ROPS</td>
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<td>0</td>
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<tr>
<td>3. Proposed Revised 1st ROPS</td>
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</table>

### Payments by Month

<table>
<thead>
<tr>
<th></th>
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<td>280,338</td>
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<tr>
<td>3</td>
<td></td>
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<td></td>
<td>1</td>
</tr>
</tbody>
</table>

### Totals

- Total Outstanding Debt or Obligation: 3,136,652
- Total Due During Fiscal Year 2011-2012: 1,138,052
- Totals: 1,138,052

### Funding Source

- General Revenue Fund: 1,138,052

### All totals during fiscal year and payment amounts are projected.

**Footnotes:**

1. Monthly photocopying varies by month, but approximately $450 per month reflects in the monthly cost.
2. Projects include the Hoover Mobility Project, Marina Area Planning Study, Transit Connectivity Project, Grand Blvd. Streetscapes, Depot Circle, and Parking Facilities; cost includes planning, design, and administrative costs.
3. See attached category for key cross-referenced Section 1607 purposes.
### Recognized Obligation Payment Schedule

**For AB 26 - Section 34177**

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Phase</th>
<th>Description</th>
<th>As of Jan. 1, 2012 Total Outstanding Debt or Obligation</th>
<th>Obligation Expiration Date</th>
<th>Total Due During Fiscal Year 2011-2012</th>
<th>Funding Source(s)</th>
<th>Payable from Other Revenue Sources</th>
<th>Payments by month</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Affordable Housing Funds - Legal Aid Society Agreement</td>
<td>Name of Deveropment Agency: RDA Project Area AB</td>
<td>Housing Successor Agency</td>
<td>Societywide/area to be used for affordable housing - moved to page 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. cedar Street Affordable Housing</td>
<td></td>
<td>Cedar Street Apartments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Artikel Street Affordable Housing</td>
<td></td>
<td>Article Street Apartments</td>
<td>Provide office improvements G/R for $20,000 - RDA Housing Fund 2008</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Project administration for Cedared Street</td>
<td></td>
<td>Green Environment Inc.</td>
<td>Project environmental administration for Cedared Street 2008</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>5. 611 Miller Street Affordable Housing</td>
<td></td>
<td>Hugh West</td>
<td></td>
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</tr>
<tr>
<td>6. 700 Cedar Street Affordable Housing</td>
<td></td>
<td>Hugh West</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>7. 900 Cedar Street Affordable Housing</td>
<td></td>
<td>Hugh West</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>9. Housing Endowment and Regional Trust Program</td>
<td></td>
<td>Housing Endowment and Regional Trust</td>
<td>Provide administrative budget to the Program - Resolution RCO/08/06 RDA Housing</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>10. Housing Rehab Program - 1117 Fay St.</td>
<td></td>
<td>Bill Mick Construction</td>
<td>Agreement for owner and contractor to remove hazardous lead based paint</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>11. Housing Rehabilitation Program - Free Exterior Paint Program - 1117 Fay St.</td>
<td></td>
<td>Bill Mick Construction</td>
<td></td>
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<tr>
<td>12. Reimbursement for a photocopy machine (2)</td>
<td></td>
<td>OFSI</td>
<td>Monthly flat rental fee of a machine + copies -</td>
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</tr>
<tr>
<td>13. Refrigeration and Regional Trust Program</td>
<td></td>
<td>Housing Successor Agency</td>
<td>Project related payroll and benefits</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>14. Public improvements for downtown revitalization with bond funds</td>
<td></td>
<td>Successor Agency</td>
<td>Unspent bond proceeds to be spent for public improvements - bondholder covenants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15. Refundable security deposits</td>
<td></td>
<td>Successor Agency</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>16. Accrued Retiree Health Obligations</td>
<td></td>
<td>CalPERS</td>
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</tr>
</tbody>
</table>

*All total due during fiscal year and payment amounts are projected.*

**Notes:**

1. Jim Smith Housing Trust Fund - A former association provided money to the RDA Housing Fund to help families coming out of shelters with rental deposits and to assist low income families at risk of losing homes. The Kathleen Mahany Program makes 1% loans payable over 2 years, pay housing security deposits or emergency rents for people at risk of losing homes.

2. Principal photocopying varies by month, but approximately $400 per month that's reflected in the monthly cost.

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4. See attached category for key cross referenced Section 34177 purposes.
### RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee</th>
<th>Description</th>
<th>As of Jan. 1, 2012 Total Outstanding Debt or Obligation</th>
<th>Obligation Expiration Date</th>
<th>Total Due During Fiscal Year 2011-2012</th>
<th>Funding Source **</th>
<th>Payable from the Administrative Allowance Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) General Administrative Services</td>
<td>Successor Agency</td>
<td>Successor Agency Budget</td>
<td>1,000,874</td>
<td>2012</td>
<td>1,350,844</td>
<td>RPTTF 182,297</td>
<td>163,715</td>
</tr>
<tr>
<td>2) Low and Mod. General Administrative Services</td>
<td>Successor Agency</td>
<td>City administrative services provided to Agency Low &amp; Moderate Housing per Agreement</td>
<td>493,562</td>
<td>2012</td>
<td>104,413</td>
<td>LMIHF 21,475</td>
<td>21,475</td>
</tr>
<tr>
<td>3) Successor Agency Administrative Cost Allowance</td>
<td>Successor Agency</td>
<td>Minimum amount of property tax due to successor Agency for general admin. costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>4)</td>
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<td>5)</td>
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<td>6)</td>
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<td>8)</td>
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<td>9)</td>
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<tr>
<td>10)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Totals - This Page</td>
<td>1,494,436</td>
<td>1,495,257</td>
<td>203,772</td>
<td>163,715</td>
<td>163,715</td>
<td>163,715</td>
<td>163,715</td>
</tr>
</tbody>
</table>

* All total due during fiscal year and payment amounts are projected.

** Funding sources from the successor agency: (For fiscal 2011-12 only, reference to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

- **RPTTF** - Redevelopment Property Tax Trust Fund
- **Bonds** - Bond proceeds
- **Other** - reserves, rents, interest earnings, etc

### LMIHF - Low and Moderate Income Housing Fund

**Admin** - Successor Agency Administrative Allowance

(1) Amount reimbursable to City for operations, including salaries, overhead and professional services pursuant to the agreement between the City and Redevelopment Agency, including the minimum statutory allowance of $250,000.

(2) Amount reimbursable to City for operations, including salaries, overhead and professional services pursuant to the agreement between the City and Redevelopment Agency.

(3) Statutory amount allowed for administration ($250,000) is included on line 1.

(4) See attached category for key cross referenced Section 34167 purposes.
### OTHER OBLIGATION PAYMENT SCHEDULE

Per AB 26 - Section 34177

<table>
<thead>
<tr>
<th>Project Name / Debt Obligation</th>
<th>Payee Description</th>
<th>Obligation Expiration Date</th>
<th>Total Due During Fiscal Year 2011-12*</th>
<th>Funding Source **</th>
<th>Payments by month</th>
<th>[4] Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>2) Pass Through Payments TRA SEQUOIA UNION H.S. DISTRICT</td>
<td>Agreement per former CRL 33401</td>
<td>477,621</td>
<td>223,992</td>
<td>RPTTF</td>
<td>223,992</td>
<td>223,992</td>
</tr>
<tr>
<td>4) Pass Through Payments TRA MID PEN. OPEN SPACE DISTRICT</td>
<td>Agreement per former CRL 33401</td>
<td>56,160</td>
<td>26,338</td>
<td>RPTTF</td>
<td>26,338</td>
<td>26,338</td>
</tr>
<tr>
<td>5) Pass Through Payments TRA SMC HARBOR DISTRICT</td>
<td>Agreement per former CRL 33401</td>
<td>10,783</td>
<td>5,057</td>
<td>RPTTF</td>
<td>5,057</td>
<td>5,057</td>
</tr>
<tr>
<td>6) Pass Through Payments TRA SMC MOSQUITO ABATE DISTRICT</td>
<td>Agreement per former CRL 33401</td>
<td>5,870</td>
<td>2,733</td>
<td>RPTTF</td>
<td>2,733</td>
<td>2,733</td>
</tr>
<tr>
<td>7) Pass Through Payments TRA SMC OFFICE OF EDUCATION</td>
<td>Agreement per former CRL 33401</td>
<td>107,937</td>
<td>50,620</td>
<td>RPTTF</td>
<td>50,620</td>
<td>50,620</td>
</tr>
<tr>
<td>8) Pass Through Payment County of San Mateo</td>
<td>County Share of Tax Increment per Agreement to expand the RDA project area</td>
<td>497,064</td>
<td>1,406,073</td>
<td>RPTTF</td>
<td>497,064</td>
<td>497,064</td>
</tr>
<tr>
<td>10) Legal Aid Society Agrmt</td>
<td>Housing Successor Agency</td>
<td>1,644,285</td>
<td>782,271</td>
<td>LMIHF</td>
<td>782,271</td>
<td>782,271</td>
</tr>
<tr>
<td>11)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Totals - Other Obligations</td>
<td>3,741,366</td>
<td>2,944,757</td>
<td>$782,271.00</td>
<td>756,413</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

* All total due during fiscal year and payment amounts are projected.
** Funding sources from the successor agency: (For fiscal 2011-12 only, references to RPTTF could also mean tax increment allocated to the Agency prior to February 1, 2012.)

- RPTTF - Redevelopment Property Tax Trust Fund
- Bonds - Bond proceeds
- Other - reserves, rents, interest earnings, etc
- LMIHF - Low and Moderate Income Housing Fund
- Admin - Successor Agency Administrative Allowance

(1) Item was moved from Page 2, line item 1.
(2) See attached category for key cross referenced Section 34167 purposes.
City of Redwood City Successor Agency EOPS/ROPS

Key for Statutes Category

Enforceable Obligations

34167. This part is intended to preserve, to the maximum extent possible, the revenues and assets of redevelopment agencies so that those assets and revenues that are not needed to pay for enforceable obligations may be used by local governments to fund core governmental services including police and fire protection services and schools.

(d) For purposes of this part, “enforceable obligation” means any of the following:

Category

(1) Bonds, as defined by Section 33602 and bonds issued pursuant to Section 5850 of the Government Code, including the required debt service, reserve set-asides and any other payments required under the indenture or similar documents governing the issuance of the outstanding bonds of the redevelopment agency.

(2) Loans of moneys borrowed by the redevelopment agency for a lawful purpose, including, but not limited to, moneys borrowed from the Low and Moderate Income Housing Fund, to the extent they are legally required to be repaid pursuant to a required repayment schedule or other mandatory loan terms.

(3) Payments required by the federal government, preexisting obligations to the state or obligations imposed by state law, other than pass through payments that are made by the county auditor-controller pursuant to Section 34183, or legally enforceable payments required in connection with the agencies’ employees, including, but not limited to, pension payments, pension obligation debt service, and unemployment payments.

(4) Judgments or settlements entered by a competent court of law or binding arbitration decisions against the former redevelopment agency, other than pass through payments that are made by the county auditor-controller pursuant to Section 34183. Along with the successor agency, the oversight board shall have the authority and standing to appeal any judgment or to set aside any settlement or arbitration decision.

(5) Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.

(6) Contracts or agreements necessary for the continued administration or operation of the redevelopment agency to the extent permitted by this part, including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to Section 33127 and for carrying insurance pursuant to Section 33134.
Agenda Report

To: Oversight Board Members
From: Brian Ponty, Finance Director
       Bill Ekern, Community Development Director
Date: June 21, 2012
Re: Information Only Report on Assets of the Former Redevelopment Agency

At the April 26th Oversight Board meeting a request was made to provide the Board with a report of assets transferred from the former Redevelopment Agency (RDA) after the RDA was dissolved. This report is an information only report and does not contemplate that the Board will take any action on these items today. It is the Board’s prerogative to request that any of these items on a future agenda for action.

This report is presented in two parts: real property assets, and all others – loans receivable, cash, and supplies.

REAL PROPERTY
Non-Housing Assets
The former Redwood City Redevelopment Agency sold its real property assets to the City of Redwood City in March 2011. Three non-housing parcels were part of that process. Two are vacant lots on Lathrop Street that were purchased in 2001. The third is a surface parking lot at the corner of Middlefield Road and Main Street providing public parking for the City’s main library.

The City was recently approached by the developer of an assisted care facility to use one of the Lathrop properties for construction parking. If the property remains City-owned, staff anticipates a short term lease or licensing agreement will be proposed to the City Council in September 2012. This parcel is subject to a Revocable Agreement between the former-Redevelopment Agency and the Irvine Apartment Communities, wherein Irvine agreed to install landscape improvements as part of its Franklin Street development. The former-Redevelopment Agency receives no revenue for the use of this property. The Agency Board also approved an agreement with Towne Ford for the use of the property as employee parking, but that agreement was never executed.
In the prior Oversight Board memo on Assets, the source of funds for the Lathrop Street parcels was identified as Housing. This was in error. Further examination of the City and former Redevelopment Agency records indicate that the funding source for these acquisitions was clearly Redevelopment Agency General Fund.

A map of the real property assets is attached (Attachment 1).

**Licenses and Leases**

The former Redevelopment Agency entered into an agreement with the United States Postal Service in 2005 for use of the paseo between the Jefferson Street Post Office and the commercial building immediately north. The former Agency then entered into a license agreement with Tarboosh Restaurant in 2007 for the use of a portion of this space. Tarboosh pays the Successor Agency approximately $3,600 per year for use of the space.

The City leases Courthouse Square from San Mateo County and entered into a partial assumption and assignment with the former Redevelopment Agency. The lease began in 2005, has a 55-year terms and four ten-year extension options. As part of that arrangement, the former Agency has four kiosks on the property, which it attempts to lease for retail uses. At this time, three of the four units are leased, two are food-oriented, one is more general retail. The rental rates vary, as do the terms of the leases.

Hidden Dragon is a food business on a ten-year lease, which began in 2009. The lease payments are approximately $400/month to the former Redevelopment Agency, an additional licensing fee to the City, and its own utilities.

Froyola is also a food business, but on a five-year lease that began in 2010. It pays the former Redevelopment Agency $330/month and a licensing fee to the City.

Some Stuff on the Square is a retail business on a month-to-month agreement, paying $100/month to the Redevelopment Agency and paying its own utilities.

All of these businesses struggle to remain open other than for large events and consequently struggle to meet their payment obligations to the former Redevelopment Agency. That being said, there remains interest in leasing kiosk space. Staff has responded to six inquiries in the past two months and received an application from one. Staff anticipates taking a lease to the Successor Agency in the September timeframe, and subsequently to the Oversight Board for approval. The details of the proposed lease remain to be resolved.

The agreements between the City and the County and the City and the former Redevelopment Agency need to be revisited to reflect the dissolution of the Redevelopment Agency. These agreements will be brought to the Oversight Board for approval as quickly as they are completed. The Successor Agency prefers to transfer its responsibilities associated with its lease interests in Courthouse Square to the City. It further wishes to transfer its ownership of the kiosk improvements to the City. As noted above, the value of the kiosk leases is negligible and does not generate net revenue to the Successor Agency. The intent of the kiosks is not to make money for the Successor Agency or City, but to serve as devices to support public functions, such as concerts and gatherings.
Housing Assets
The former Redevelopment Agency sold two properties it acquired for construction of affordable housing to the City in 2011. One property is a small single-family lot at 611 Heller. This property was acquired by the former Agency using 20% set-aside funds. It remains the City’s goal to sell this property to a developer of affordable housing.

The second site the former Agency acquired is 707 and 777 Bradford Street. The 707 Bradford Street property was purchased with 20% set-aside funds for 20% of the acquisition cost, the remainder of the funds were Redevelopment Agency general funds. The City still desires to develop this property as affordable housing. The original concept for this site was an affordable senior housing project that might include a childcare facility.

For either of the affordable housing sites the City anticipates issuing a Request for Proposal aimed at affordable housing. The City does not anticipate significant, if any, proceeds from the sale of either property given the nature and requirements of affordable housing development.

LOANS RECEIVABLE
The RDA entered into several loans to provide financing for projects in the redevelopment area. The following is a summary of those loans with current outstanding principal balances.

<table>
<thead>
<tr>
<th>Former Redevelopment Agency General Fund</th>
<th>Principal Outstanding As of May 31, 2012</th>
<th>Interest Rate</th>
<th>Final Payment Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td>Original Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mezes Court Associates</td>
<td>$1,073,924</td>
<td>$1,073,924</td>
<td>3%</td>
</tr>
<tr>
<td>J.H.R. Trust</td>
<td>$189,516</td>
<td>-</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Former Redevelopment Agency Housing Fund</th>
<th>Principal Outstanding As of May 31, 2012</th>
<th>Interest Rate</th>
<th>Final Payment Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrower</td>
<td>Original Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Former RDA General Fund (SERAF loan)</td>
<td>$2,812,838</td>
<td>$2,250,270</td>
<td>0%</td>
</tr>
<tr>
<td>Mezes Court Associates</td>
<td>$371,076</td>
<td>$371,076</td>
<td>3%</td>
</tr>
<tr>
<td>J.H.R. Trust</td>
<td>$65,484</td>
<td>-</td>
<td>3%</td>
</tr>
<tr>
<td>Hallmark Apartments</td>
<td>$150,000</td>
<td>$150,000</td>
<td>3%</td>
</tr>
<tr>
<td>Redwood Court</td>
<td>$500,000</td>
<td>$483,153</td>
<td>0%</td>
</tr>
<tr>
<td>1st Time Homebuyer Program (Silent loans)</td>
<td>Revolving loan program</td>
<td>$410,121</td>
<td>4%</td>
</tr>
<tr>
<td>1st Time Homebuyer Program (Wyndham Place)</td>
<td>Revolving loan program</td>
<td>$224,598</td>
<td>0%</td>
</tr>
<tr>
<td>Housing Rehabilitation Loans</td>
<td>Revolving loan program</td>
<td>$184,041</td>
<td>0-3%</td>
</tr>
<tr>
<td>Villa Montgomery FCH</td>
<td>$1,927,000</td>
<td>$1,927,000</td>
<td>3%</td>
</tr>
</tbody>
</table>
Please see Attachment 2 for a more detailed description of the Successor Agency’s loans receivable.

**BOND PROCEEDS**

As of May 31, 2012 there were approximately $150,709 of unexpended bond proceeds remaining and $1,551,102 of debt service reserve funds from the 2003 bond issue.

**SUPPLIES**

The following supplies were purchased with funds from the former RDA and are now owned by the Successor Agency:

A. *Holiday sprays and bows.* The RDA purchased six pine sprays with velvet bows and about 70 bows for installation during the winter holidays. These items are stored at Public Works.

B. *Downtown Events Banners.* The event banners, funded by RDA are stored at Public Works.

C. *Free standing 4’ x 8’ art panels and 20 holiday trees.* The RDA entered into a Right of Entry and License Agreement on May 10, 2010 for art installation at the On Broadway Retail Cinema Project. Although the Agreement expired March 31, 2011, the property management is allowing the RDA to continue storing the art panels and holiday trees on site.

**CASH**

A. *City Housing Legal Aid Society Fund.* (Payments received under Legal Aid Society settlement from tax increment) $10,301,977.

B. *City Housing Fund.* (Loan repayments since February 1, 2012 plus $48,392 from donations in the Jim Smith Housing Fund).

C. *Successor Agency Housing Fund.* (Cash remaining from the former RDA housing fund) $1,893,506.

D. As of May 31, 2012, there were no funds available from the former Redevelopment Agency General Fund. All funds were either expended as permitted under AB1X26 or returned to the County Controller’s office as required.

_________________________
Brian Ponty  
Finance Director, Successor Agency

_________________________
Bill Ekern  
Community Development Director
6. Assets of the Former RDA

ATTACHMENTS
1. Map of Real Property Assets
2. Details of Outstanding Loans
## Acquisition Funding Sources:

### Housing
- Lot Size
- Address
- APN

### Non-Housing
- Lot Size
- Address
- APN

<table>
<thead>
<tr>
<th>Label</th>
<th>Address</th>
<th>APN</th>
<th>Description / Land Use</th>
<th>FUND</th>
<th>Lot Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>707 Bradford St</td>
<td>052372200</td>
<td>Vacant parcel</td>
<td>Housing</td>
<td>10,670</td>
</tr>
<tr>
<td>2</td>
<td>777 Bradford St</td>
<td>052372170</td>
<td>Vacant parcel</td>
<td>Housing</td>
<td>13,500</td>
</tr>
<tr>
<td>3</td>
<td>1012 Main St</td>
<td>053137010</td>
<td>Library parking facility</td>
<td>Non-Housing</td>
<td>20,200</td>
</tr>
<tr>
<td>4</td>
<td>N/A</td>
<td>053182030</td>
<td>Vacant parcel</td>
<td>Non-Housing</td>
<td>14,351</td>
</tr>
<tr>
<td>5</td>
<td>N/A</td>
<td>053147040</td>
<td>Vacant parcel with creek culvert</td>
<td>Non-Housing</td>
<td>7,438</td>
</tr>
<tr>
<td>6</td>
<td>611 Heller St</td>
<td>053155050</td>
<td>Vacant parcel</td>
<td>Housing</td>
<td>5,006</td>
</tr>
</tbody>
</table>
Details of Outstanding Loans

Outstanding Loans Receivable – Former RDA General Fund

A. City Center Plaza at 950 Main Street (Mezes Court).
   The Plaza is a mixed use project situated on two parcels at the intersection of Main Street and Middlefield Road consisting of 81 affordable rentals, a childcare center, 17,900 square feet of ground floor retail and an underground parking garage.

Under the terms of the Feb. 5, 1996 development and disposition agreement (DDA) between the RDA and developers Mezes Court Associate (MCA) for the residential development and J.H.R. Trust (JHR) for the commercial development, the RDA sold the parcels of land and cleaned the site of contaminants in exchange for promissory notes totaling $1.7M, the appraised value of the land.

<table>
<thead>
<tr>
<th>Promissory Note between the RDA &amp; MCA for $1,073,924 (June 18, 1996)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
</tr>
<tr>
<td>3% interest Annual principal &amp; interest payments due May 1.</td>
</tr>
<tr>
<td>Note is due and payable in full on January 17, 2028.</td>
</tr>
</tbody>
</table>

MCA has not made any principal payments and are in arrears for the interest payments. The interest is deferred. The outstanding interest balance was $248,212.69 as of May 31, 2012.

<table>
<thead>
<tr>
<th>Promissory Note between the RDA &amp; JHR Trust for $189,516 (June 18, 1996)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
</tr>
<tr>
<td>3% interest Monthly payments are due the 10th of each month, with payment amount amortized over the balance of term. Note is due and payable in full on January 1, 2028.</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
Outstanding Loans Receivable – Former RDA Housing Fund

A. Supplement Educational Revenue Augmentation Fund Repayment
   In FY 2009/10, the RDA borrowed $2,812,838 from its low moderating income housing fund (LMIHF) to pay the State’s Supplement Educational Revenue Augmentation Fund (SERAF) payment. The RDA has been paying the loan by allocating $562,567.60 from its RDA General Fund into the LMIHF before June 30th of each year for five years with no bearing interest. The borrowing of LMIHF must be repaid to the Agency LMIHF on or before June 30, 2015. As of May 31, 2012, the outstanding balance to the LMIHF is $2,250,270.40.

<table>
<thead>
<tr>
<th>Term</th>
<th>Comments</th>
<th>Loan Amount</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>0% interest</td>
<td>To be repaid in full within five years.</td>
<td>$2,250,270.40</td>
<td>June 30, 2015</td>
</tr>
</tbody>
</table>

B. City Center – 950 Main Street
   A DDA was executed by and between the RDA, City, MCA and JHR on February 5, 1996 for the development and construction of affordable housing, commercial and retail space.

Promissory Note between the RDA & MCA for $371,076 (June 18, 1996)

<table>
<thead>
<tr>
<th>Term</th>
<th>Comments</th>
<th>Loan Amount</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% interest</td>
<td>Repaid from surplus revenues generated by the housing project through 202.</td>
<td>$371,076</td>
<td>January 17, 2028</td>
</tr>
<tr>
<td></td>
<td>Prepayment penalty if note is paid in full prior to 15 years from the issuance of the Certificate of Completion.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual principal &amp;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>interest payments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>due May 1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Promissory Note between the RDA & JHR Trust for $65,484 (June 18, 1996)

<table>
<thead>
<tr>
<th>Term</th>
<th>Comments</th>
<th>Loan Amount</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% interest</td>
<td>No payments are due until earlier of (a) 10 years after closing of permanent loan for project, (b) January 1, 2008, or (c) payment in full of original permanent loan.</td>
<td>$65,484</td>
<td>January 1, 2028</td>
</tr>
<tr>
<td>Monthly payments</td>
<td>The DDA and Note include a 20% prepayment penalty if the Note is paid in full prior to 10 years from the issuance of the certificate of completion.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>are due the 10th of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>each month, with</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>payment amount</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>amortized over the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>balance of term.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This loan was paid off on April 19, 2012 with amounts being deposited to the City Housing Fund. Prepayment penalty of $13,096.80 was paid.
C. **Hallmark Apartments – 531 Woodside Road**

An Owner Participation Agreement (OPA) was executed by and between the RDA, City and KDF Hallmark L.P. on December 22, 2003. RDA housing funds were used to preserve existing affordable housing by assisting the owner with the refinance and rehabilitation of the apartment building. A Declaration of Affordable Housing Covenants and Declaration of Redevelopment Covenants were recorded on December 22, 2003. The period of affordability terminates on December 21, 2058.

RDA Housing provided a loan of $150,000. A $650,000 Promissory Note between the RDA, City, and KDF Hallmark L.P. is deferred for the first 30 years and then amortized at 3 percent interest for 25 years and $500,000 of this loan was funded by HOME Federal funds (Fund 257).

<table>
<thead>
<tr>
<th>Term</th>
<th>RDA Housing Loan Amount</th>
<th>Balance</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan deferred for the first 30 years and then amortized at 3% interest for 25 years.</td>
<td>$150,000</td>
<td>$150,000</td>
<td>December 21, 2058</td>
</tr>
</tbody>
</table>

D. **Redwood Court – 635 Spruce Street**

An OPA was executed by and between the RDA and Redwood Court Associates (RCA) on July 21, 2003 for the preservation of existing affordable housing. An Affordable Housing Covenant and Declaration of Redevelopment Covenants were recorded as attachments to the OPA. The affordability terminates on July 20, 2058.

RDA Housing provided a loan of $500,000 to assist in the refinance and rehabilitation of the project. The Note is deferred for 55 years, 0% interest. The outstanding loan balance as of May 31, 2012 was $483,153.

<table>
<thead>
<tr>
<th>Term</th>
<th>RDA Housing Loan Amount</th>
<th>Balance</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan deferred for 55 years, 0% interest.</td>
<td>$500,000</td>
<td>$483,153</td>
<td>July 20, 2058</td>
</tr>
</tbody>
</table>

E. **First Time Homebuyer Program – Silent Loan Program**

RDA Housing provided silent second loans to income qualified first time homebuyers and “targeted borrowers” (full-time Redwood City teachers and City of Redwood City employees) from 2001 to 2003.

Targeted borrowers who maintain eligibility through sustained employment are entitled to a forgiveness of 10 percent of the total initial principal balance of the Note each year commencing in the sixth year from the date of origin of the Note. Notes included 30-year
terms with no interest to accrue until the fifth anniversary, thereafter to accrue at 4% per annum on unpaid principal for 25 years.

Of the eight loans, two loans have been paid off, two borrowers are eligible for the principal forgiveness, and one borrower who was previously eligible is now retired and no longer eligible. The outstanding principal ($410,120.99) and accrued interest ($1,603.58) balance as of May 31, 2012 is $411,724.57.

<table>
<thead>
<tr>
<th>Term</th>
<th>RDA Loan Amount</th>
<th>Balances as of May 31, 2012</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan #8006</td>
<td>$100,000</td>
<td>$84,447.57 and $272.11 accrued interest</td>
<td>First payment January 7, 2007 Note matures December 1, 2031</td>
</tr>
<tr>
<td>Loan #8002</td>
<td>$90,000</td>
<td>Paid off in May 2012</td>
<td>First payment December 1, 2006 Note matures January 20, 2031</td>
</tr>
<tr>
<td>Loan #8010</td>
<td>$100,000</td>
<td>Paid off in May 2012</td>
<td>First payment January 1, 2007 Note matures December 1, 2031</td>
</tr>
<tr>
<td>Loan #8021: Teacher, eligible for principal forgiveness</td>
<td>$100,000</td>
<td>$45,397.85 and $146.28 accrued interest</td>
<td>First payment November 1, 2007 Note matures October 1, 2032</td>
</tr>
<tr>
<td>Loan #8016</td>
<td>$86,000</td>
<td>$74,527.27 and $240.14 accrued interest</td>
<td>First payment March 1, 2007 Note matures February 1, 2032</td>
</tr>
<tr>
<td>Loan #8003: Teacher, eligible for principal forgiveness</td>
<td>$100,000</td>
<td>$27,101.56 and $55.11 accrued interest</td>
<td>First payment January 1, 2007 Note matures December 1, 2031</td>
</tr>
<tr>
<td>Loan #8019</td>
<td>$100,000</td>
<td>$87,399.44 and $281.62 accrued interest</td>
<td>First payment June 1, 2007 Note matures May 1, 2032</td>
</tr>
<tr>
<td>Loan #8023</td>
<td>$100,000</td>
<td>$91,247.30 and $608.32 accrued interest</td>
<td>First payment September 1, 2008 Note matures August 4, 2033</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$411,724.57</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

F. **First Time Homebuyer Program - Wyndham Place Condominiums**

A DDA was executed by and between the RDA and Butler Stellar Corporation on January 24, 1994 for the construction of 15 affordable ownership units (condominiums). The RDA conveyed the site to Butler Stellar Corporation based upon a per unit sales price formula. Resale Restriction Agreements were recorded at the close of escrow of each unit conveyed to eligible purchasers at which time the provisions of the DDA terminated. In no case shall the affordability restrictions terminate for any unit prior to January 17, 2008.

RDA Housing provided silent second loans to income qualified first time homebuyers. There are currently nine outstanding loans. All loans include 30-year terms with zero interest with payments deferred for the first five years, thereafter principal payments amortized for 25 years. The outstanding principal balance as of May 31, 2012 was $224,598.00.
6. Former Assets of the RDA
Attachment 2

<table>
<thead>
<tr>
<th>Term</th>
<th>RDA Housing Loan Amount</th>
<th>Balance</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan #7201</td>
<td>$19,679</td>
<td>$10,592.99</td>
<td>First payment May 1, 2006 Note matures June 1, 2025</td>
</tr>
<tr>
<td>Loan #7205</td>
<td>$29,452</td>
<td>$16,023.42</td>
<td>First payment May 1, 2006 Note matures September 1, 2025</td>
</tr>
<tr>
<td>Loan #7206</td>
<td>$11,692</td>
<td>$6,079.32</td>
<td>First payment October 1, 2006 Note matures September 1, 2025</td>
</tr>
<tr>
<td>Loan #7207</td>
<td>$9,323</td>
<td>$4,474.52</td>
<td>First payment September 1, 2006 Note matures September 1, 2025</td>
</tr>
<tr>
<td>Loan #7211</td>
<td>$34,243</td>
<td>$18,273.12</td>
<td>First payment May 1, 2006 Note matures October 1, 2025</td>
</tr>
<tr>
<td>Loan #7212</td>
<td>$10,000</td>
<td>$2,641.22</td>
<td>First payment May 1, 2006 Note matures January 1, 2015</td>
</tr>
<tr>
<td>Loan #7213</td>
<td>$130,000</td>
<td>$105,386.25</td>
<td>First payment July 1, 2007 Note matures July 1, 2032</td>
</tr>
<tr>
<td>Loan #7214</td>
<td>$25,000</td>
<td>$21,829.04</td>
<td>First payment March 9, 2009 Note matures February 9, 2034</td>
</tr>
<tr>
<td>Loan #7215</td>
<td>$40,592</td>
<td>$39,298.12</td>
<td>First payment August 1, 2011 Note matures August 1, 2036</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$224,598.00</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

G. **RDA Housing Rehabilitation Program**

RDA Housing provided low interest housing rehabilitation loans to assist income qualified single-family and multi-family property owners to preserve existing affordable housing. Loan terms varied from 15-30 years and 0-3 percent interest. The outstanding principal balance ($184,041) and interest ($930.64) as of May 31, 2012 was $184,971.55.

<table>
<thead>
<tr>
<th>Term</th>
<th>RDA Housing Loan Amount</th>
<th>Balance</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan #7010: principal and interest fully amortized for 15 years at 3% per annum.</td>
<td>$60,000</td>
<td>$23,276.28 principal and $62.00 accrued interest</td>
<td>First payment November 1, 2003</td>
</tr>
<tr>
<td>Loan #7011: Beginning July 1, 2011, both principal and interest payments are deferred until the sale or transfer of property, or upon the death of borrower, whichever comes first. On that day the unpaid balance of principal and Interest shall be due payable immediately.</td>
<td>$34,764.63</td>
<td>$34,764.63 principal and $868.64 accrued interest</td>
<td>Refer to loan term</td>
</tr>
</tbody>
</table>
6. Former Assets of the RDA
Attachment 2

<table>
<thead>
<tr>
<th>Term</th>
<th>RDA Housing Loan Amount</th>
<th>Balance</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan #15689: 15 years, 0% interest deferred, (non interest accruing during deferred period); thereafter fully amortized payments of principal and interest.</td>
<td>$66,000</td>
<td>$66,000</td>
<td>First payment April 1, 2023 Note matures April 1, 2038</td>
</tr>
<tr>
<td>Loan #18774: No interest shall accrue upon the principal until 5\textsuperscript{th} anniversary of the date of Note; thereafter, interest shall accrue at the rate of 3% per annum upon the unpaid principal balance, and interest and principal shall be payable 15 years or one hundred eighty (180) equal monthly installments.</td>
<td>$60,000</td>
<td>$60,000</td>
<td>First payment September 1, 2013 Note matures October 1, 2028</td>
</tr>
</tbody>
</table>

TOTAL: $184,971.55

H. Villa Montgomery – 1500 El Camino Real
A Disposition and Development Agreement was executed by and between the RDA and First Community Housing on January 24, 2005 for the construction of affordable housing with an ancillary retail component. A Declaration of Affordability Covenants was recorded on August 17, 2005. The affordability terminates on May 8, 2063.

A total of $2,627,000 loan was made bearing simple interest at 3\% per annum for a 40-year term with annual payments from net cash flow. The outstanding principal and interest are due at maturity in December 2045. The loan was funded by three sources: 1) $1,927,000 RDA Housing, 2) $200,000 City CDBG, and 3) $500,000 County of San Mateo for a total of $2,627,000. The City and RDA executed a joint funding agreement with the County for the County’s portion and agreed to collect loan payments for the entire loan and disburse County fund repayments as received.

The total outstanding loan principal balance as of May 31, 2012 due all parties was $2,627,000. Interest is accruing. Deferred interest receivable as of May 31, 2012 was $386,561 for RDA Housing, $35,697 for CDBG and $89,243 for the County of San Mateo, for a total of $511,501.
City staff has been in communication with staff at the State Department of Finance (DOF) over several issues since the most recent (May 1st) Oversight Board meeting. These communications have involved items on the first and second ROPS that have been initially disqualified by the DOF along with the handling of the $680,000 transfer to the trustee that was discussed under agenda item V.

For the most part our communications with the DOF have focused on the loan from the City to the RDA and the funds transferred to the trustee from the fall 2011 tax apportionment.

The following is a summary of our communications with the DOF. Attached are copies of the correspondence between the city and the DOF for your review.

April 27 – Correspondence from the DOF disqualifying certain items on the 1st ROPS.

May 8 – Correspondence from Brian Ponty to the DOF (to Randy Enriquez and Mark Hill) seeking reconsideration of decision concerning items No. 6 and No. 7 on the 1st ROPS.

May 17 – Correspondence from the DOF disqualifying certain items on the 2nd ROPS.

May 31 – Correspondence from the DOF indicating review of the revised 1st ROPS (item V on today’s agenda) and disqualifying the same items on this ROPS that were disqualified by the DOF on their April 27th ROPS. A significant element of the correspondence is that the DOF did not disqualify the higher amount requested on line three for the interest payments on the 2003 TABS.
June 1 – Correspondence to the DOF appealing decision concerning the qualification of the loan from the City to the RDA as being eligible for repayment from the Redevelopment Property Tax Trust Fund (RPTTF).

In addition to the above communications there have been several phone conversations, all with Robert Scott from the DOF, for the purpose of clarifying the DOF’s position on certain items they disqualified and the handling of the $680,000 transfer to the trustee of the 2003 TABS. During one of these conversations which occurred on May 15th Mr. Scott indicated the liabilities related to retirement (PERS and retiree health coverage or OPEB) were likely considered enforceable obligations and that DOF would need to review the methodology for determining the amounts on the ROPS. A recent on-line survey conducted by the California Society of Municipal Finance Officers found that a number of cities and at least one County were successful in receiving DOF approval for payment of their retirement obligations.

At this point we have only one open item with the DOF – the repayment of the loan the City made to the RDA in 2005. This matter appears on the 1st ROPS (items 6 and 7 on page 1 – $807,792) and on the 2nd ROPS (items 5 and 6 on Page 1 – $114,882). We have furnished the DOF with our position on this matter on several occasions, the most recent being June 1, 2012, and are awaiting their response to this most recent appeal.

On each of the ROPS approved by the Oversight Board, based on the Agreed Upon Procedures (AUP) report from Macias, Gini, and O’Connell (MGO), the City listed the amount owed under the agreement with the Legal Aid Society as a pass through payment. The County Controller is questioning the handling of this obligation as they believe this obligation does not fit the definition of pass through agreement.

We have been advised by the County Controller that when MGO issues their final AUP report they will be removing this item from the pass through payment section and will be recommending that it be included as an enforceable obligation. Should this transpire we will then include this as an enforceable obligation on the 3rd ROPS (January through June 2013) and request approval by the Oversight Board. If approved by the Oversight Board it will then be put through the process to determine if the DOF concurs that is an enforceable obligation.

____________________________________
Brian Ponty
Finance Director, Successor Agency

ATTACHMENTS
1. Correspondence with the State Department of Finance
April 27, 2012

Brian Ponty, Finance Director  
City of Redwood City  
1017 Middlefield Road  
Redwood City, CA 94063

Dear Mr. Ponty:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Redwood City (City) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on April 13, 2012 for the period January through June 2012. Finance staff contacted you for clarification of items listed in the ROPS.

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

- Page 1, item 6 and 7 for Capital Improvements totaling $2.5 million. HSC section 34171(d)(2) states loan arrangements between the City and the former redevelopment agency not enforceable obligations. This item is to pay back bonds issued by the city.

- HSC section 34171 (b) limits administrative costs to five percent of property tax allocated or $250,000, whichever is greater. Five percent of the property tax allocated is $95,133. Therefore, $848,427 of the claimed $1,098,427 is not an EO. The following items are costs: Page 1 – Items 9, 10, 12, 35, 40, 41, 43, 46 and Page 3 – Item 1.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL  
Program Budget Manager

cc: Ms. Kristen Mees, Economic Development Secretary, Redwood City  
Mr. Bob Adler, Auditor Controller, San Mateo County
May 8, 2012

Mark Hill
Department of Finance
915 L Street
Sacramento, CA 95814

Dear Mr. Hill:

We have reviewed your correspondence dated April 27, 2012 concerning the Recognized Obligations Payments Schedule (ROPS) approved on April 12, 2013 by the Oversight Board to the Successor Agency to the Redevelopment Agency of Redwood City. Regrettably, we are not in concurrence to the findings contained within this correspondence and respectfully request an opportunity to discuss these with you at your earliest convenience.

In connection with your finding concerning the loan agreement between the City of Redwood City and the former Redevelopment Agency I am enclosing a copy of a letter that I recently sent to Mr. Randy Enríquez at the State Department of Finance.

Could you please call me at 650.780.7072 so we can decide upon a mutually convenient time to discuss your April 27th correspondence so that we can explore solutions to resolve our differences in interpreting AB1 X26?

I thank you in advance for your cooperation and look forward to hearing from you.

Sincerely,

[Signature]
Brian Ponty
Finance Director

Enclosure

c:  Mr. Bob Adler, Auditor Controller, San Mateo County
    Ms. Kristen Mees, Economic Development Secretary, Redwood City
    Ms. Veronica Ramirez, Deputy City Attorney, City of Redwood City
Office of Director of Finance

7. Communications with DOF
Attachment 1

1017 Middlefield Road
Redwood City, California 94063
Telephone: (650) 780-7070
Fax: (650) 366-2447
www.redwoodcity.org

Sent via email to Randy.Enriquez@dof.ca.gov

May 8, 2012

Department of Finance
Randy Enriquez, Analyst
915 L Street
Sacramento, CA 95814

Mr. Enriquez:

Thank you for your response on April 24, 2012 concerning Items No. 6 and No. 7 (Capital improvements in the downtown) on the ROPS approved on April 9, 2012 by the City of Redwood City City Council. However, we respectfully disagree with your conclusion, and ask that you reconsider your conclusion that Items No. 6 and No. 7 are not enforceable obligations.

As you point out, the definition of "Indebtedness obligations" described in HSC Section 34171 (e), includes debt issued directly by the redevelopment agency, or a joint exercise of powers authority created by the redevelopment agency.

We believe that the above obligations are enforceable obligations under the provisions of HSC 34171 (e) because the City of Redwood City Public Finance Authority, a joint exercise of powers between the City of Redwood City and the Redevelopment Agency of the City Redwood City, was the bond issuer. Enclosed for your review is a copy of the joint exercise of powers agreement between the City of Redwood City and the Redevelopment Agency of the City of Redwood City, as well as relevant sections of the Official Statement for the bonds.

Items No. 6 and No. 7 are for repayment of a loan agreement between the City and the Redevelopment Agency specifically entered into in connection with the Public Finance Authority bond issuance.

In 2003, the Public Finance Authority issued $11,475,000 of bonds to refund a portion of bonds issued by the City in 1991 and to provide funds to loan to the Redwood City Redevelopment Agency for the purpose of assisting in the financing of programs, projects, and activities relating to the Project Area No. 2. Repayment of this loan is appropriately included in the Successor Agency’s draft ROPS because it is an enforceable obligation under Health and Safety Code Section 34171(d)(2). It is an obligation
supported by a written agreement solely securing or repaying the City in connection with bonds issued by the Public Finance Authority for the purpose of loaning funds to the Redevelopment Agency. Regrettably we did not make this clear in our correspondence to you dated April 4, 2012 and apologize for the oversight and ensuing confusion.

We respectfully request that the Department of Finance reconsider the determination made with respect to Items No. 6 and No. 7 made on April 24, 2012.

Sincerely,

Brian Ponty
Director of Finance
City of Redwood City

Enclosures
1. Relevant Sections of Official Statement
2. Joint exercise of powers agreement between the City of Redwood City and the Redevelopment Agency of the City of Redwood City

C: Mr. Bob Adler, Controller, San Mateo County
   Mr. Robert Bell, City Manager, City of Redwood City
   Ms. Pamela Thompson, City Attorney, City of Redwood City
   Ms. Veronica Ramirez, Assistant City Attorney, City of Redwood City
   Mr. Bill Ekern, Community Development Director, City of Redwood City
   Ms. Alison Freeman, Financial Services Manager, City of Redwood City
   Ms. Kristen Mees, Secretary, City of Redwood City
In the opinion of Nossaman, Guillen, Knox & Elliott, LLP, Irvine, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. In addition, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Bond constitutes original issue discount, and the amount of original issue discount that accrues to the owner of the Bond is excluded from gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax. See "TAX EXEMPTION" herein with respect to tax consequences with respect to the Bonds.

$11,475,000
City of Redwood City Public Financing Authority
Lease Revenue Bonds
Series 2003

Dated: Date of Delivery

The $11,475,000 City of Redwood City Public Financing Authority Lease Revenue Bonds, Series 2003 (the "Bonds") are being issued by the City of Redwood City Public Financing Authority (the "Authority") to provide funds to (i) refund the Authority's remaining outstanding 1991 Local Agency Revenue Bonds, Series A (the "1991 Bonds"), (ii) finance the acquisition and construction of certain infrastructure improvements, (iii) establish a reserve fund, and (iv) pay certain costs incurred in connection with execution and delivery of the Bonds. Interest represented by the Bonds is payable semiannually on each January 15 and July 15, commencing July 15, 2004.

The Bonds are special obligations of the Authority, payable from and secured by Revenues (as defined herein) of the Authority consisting primarily of payments to be made by the City of Redwood City (the "City"), for the right to the use of certain real property and improvements thereon (the "Leased Property") pursuant to a Subordinate Lease Agreement dated November 1, 2003 (the "Lease Agreement"), and between the City, as lessee, and the Authority as lessor.

The City has covenanted in the Lease Agreement to make the Lease Payments for the Leased Property as provided for therein, to include all such Lease Payments in each of its budgets and to make the necessary annual appropriations for all such Lease Payments.

The Bonds will be initially delivered only in book-entry form, registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository of the Bonds. Interest and principal represented by the Bonds are payable by BNY Western Trust Company, Los Angeles, California, as Trustee, to DTC, which remits such payments to its Participants for subsequent distribution to the beneficial owners of the Bonds. See "APPENDIX E - DTC and the Book-Entry System" and "THE BONDS - General."

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS - Redemption."

Payment of the principal of and interest with respect to the Bonds when due will be insured by a Financial Guaranty Insurance policy to be issued by Ambac Assurance Corporation simultaneously with delivery of the Bonds.

Ambac

The obligation of the City to make the Lease Payments does not constitute a debt of the City or the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State of California is obligated to levy or pledge any form of taxation or for which the City or the State of California has levied or pledged any form of taxation.

This cover page contains information for reference only. Investors must read the entire Official Statement to obtain information essential in making an informed investment decision. See "RISK FACTORS" for a discussion of factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

<table>
<thead>
<tr>
<th>Maturity (July 15)</th>
<th>Principal</th>
<th>Interest</th>
<th>CUSIP 75788S49</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$670,000</td>
<td>2.50%</td>
<td>AP3</td>
</tr>
<tr>
<td>2005</td>
<td>715,000</td>
<td>2.50%</td>
<td>A97</td>
</tr>
<tr>
<td>2006</td>
<td>735,000</td>
<td>2.50%</td>
<td>Q88</td>
</tr>
<tr>
<td>2007</td>
<td>750,000</td>
<td>2.50%</td>
<td>Q90</td>
</tr>
<tr>
<td>2008</td>
<td>770,000</td>
<td>2.50%</td>
<td>AT4</td>
</tr>
<tr>
<td>2009</td>
<td>795,000</td>
<td>2.625%</td>
<td>AV0</td>
</tr>
<tr>
<td>2010</td>
<td>820,000</td>
<td>3.00%</td>
<td>AV0</td>
</tr>
</tbody>
</table>

$1,500,000 at 3.375% Special Term Bond Due July 15, 2018; Yield: 4.5%; CUSIP 75788S509

CUSIP Copyright 2003, American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.

The Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Nossaman, Guillen, Knox & Elliott, LLP, Irvine, California, Bond Counsel. Jones Hall, A Professional Law Corporation, San Francisco, California is serving as Disclosure Counsel to the City. In addition, certain legal matters will be passed upon for the City and the Authority by the City Attorney of the City. It is anticipated that the Bonds in book-entry form will be available for delivery to DTC in New York, New York on or about December 18, 2003.

Stone & Youngberg LLC

Dated: December 4, 2003
All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from tax and other revenues, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial or other affairs of the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

THE FINANCING PLAN

The net proceeds of the sale of the Bonds will be used to (i) provide funds to refund the Authority’s 1991 Local Agency Revenue Bonds, Series A (the “1991 Bonds”), issued in the original principal amount of $26,715,000, and currently outstanding in the aggregate amount of $6,725,000, (ii) finance the acquisition and construction of certain infrastructure improvements (the “Projects”), (iii) fund a reserve fund for the Bonds, and (iv) pay certain costs incurred in connection with the issuance of the Bonds.

In July 1998, the Authority issued its 1998 Lease Refunding Bonds (Capital Facilities Project) (the “1998 Bonds”) to refund, on July 15, 2001, $10,995,000 of the principal amount of the 1991 Bonds, which constituted some, but not all, of the then outstanding 1991 Bonds. The 1998 Bonds are secured by lease payments made by the City under a Sub-Lease Agreement dated March 1, 1998, which is a sublease under a lease agreement entered into in 1991 in connection with the issuance of the 1991 Bonds. In connection with the issuance of the Bonds, the City and the Authority are entering into the Subordinate Lease Agreement, which constitutes a sublease under the 1998 Sub-Lease Agreement. See “RISK FACTORS – Priority of Lease Agreement Upon Destruction of Leased Property or Eminent Domain.”

Refunding of Remaining 1991 Bonds. Proceeds of the Bonds used to redeem all of the outstanding 1991 Bonds, together with certain funds held in the funds and accounts related to the 1991 Bonds and made available through the defeasance of the outstanding 1991 Bonds, will be deposited in an Escrow Fund to be established pursuant to an Escrow Deposit and Trust Agreement, dated as of December 1, 2003 (the “Escrow Agreement”), by and among the City and U. S. Bank National Association, as escrow bank (the “Escrow Bank”). The moneys in the Escrow Fund will be applied by the Escrow Bank to the prepayment of the 1991 Bonds approximately 30 days after the date of issuance of the Bonds. Any amounts remaining in the Escrow Fund following the full redemption of the 1991 Bonds shall be transferred by the Escrow Bank to the City. The deposit with the Escrow Bank will result in the defeasance of the 1991 Bonds pursuant to the provisions of the 1991 Indenture, as of the date of the deposit.

The moneys held by the Escrow Bank are pledged to the payment of the 1991 Bonds. Amounts deposited with the Escrow Bank are not available for the payment of principal of and interest on the Bonds.

The Projects. Net proceeds of the Bonds not used for refunding of the 1991 Bonds are expected to be used for City capital improvements and to make a loan to the City’s redevelopment agency for the purpose of assisting in the financing of programs, projects and activities relating to the Project Area No 2, which includes the downtown area of the City.
ESTIMATED SOURCES AND USES OF FUNDS

The Trustee will receive the proceeds from the sale of the Bonds, upon delivery of the Bonds to the purchasers thereof, and will use such proceeds, exclusive of accrued interest, as set forth in the following table.

Sources:
Par Amount of Bonds $11,475,000.00
Plus: Net Original Issue Premium 4,573.30
Total Sources: 11,479,573.30

Uses:
Deposit to Escrow Fund $5,674,822.97
Deposit to Project Fund 4,390,000.00
Deposit to Reserve Fund 1,077,052.50
Deposit to Costs of Issuance Fund (1) 337,697.83
Total Uses: 11,479,573.30

(1) Includes legal, financial advisory, rating agency and printing costs, underwriter’s discount, bond insurance premium and other miscellaneous costs of issuance.

THE LEASED PROPERTY

Under the Lease, the City leases the Leased Property from the Authority. The Leased Property consists of the following real properties, which may be substituted or removed by the City upon satisfaction of certain conditions set forth in the Lease. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Substitution or Removal of Leased Property” below.

The Leased Property. The property to be subleased by the Authority and then subleased back to the City under the terms of the Lease Agreement consists of the following properties located within the City:

<table>
<thead>
<tr>
<th>Property</th>
<th>Lot Size (Acres)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Library</td>
<td>2.83</td>
<td>45,028 square foot main library completed in 1998 and the adjacent parking lots</td>
</tr>
<tr>
<td>Fire Station No. 1</td>
<td>.76</td>
<td>23,457 square foot main fire station with fire administration offices completed in 1987</td>
</tr>
<tr>
<td>Red Morton Park</td>
<td>19.67</td>
<td>City park (includes community center located in the park)</td>
</tr>
</tbody>
</table>
CERTIFICATE REGARDING EFFECTIVENESS OF JOINT POWERS AGREEMENT

The undersigned hereby states and certifies:

(i) that he is the duly elected or appointed, qualified and acting Secretary of the City of Redwood City Public Financing Authority, a joint powers agency organized and existing under the laws of the State of California (the "Authority") and operating pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code (the "Act") and pursuant to that certain joint exercise of powers agreement dated June 18, 1991 (the "Agreement"), by and between the City of Redwood City and the Redevelopment Agency of the City of Redwood City, and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(ii) that attached hereto is a true, correct and complete copy of the Agreement, which Agreement has not been further amended, modified supplemented, rescinded or repealed, and is in full force and effect as of the date hereof; and

(iii) that all required filings have been made with the Secretary of State of the State of California, and the Authority is in good standing as a joint exercise of powers agency under the Act.

Dated: August 7, 1991

CITY OF REDWOOD CITY PUBLIC FINANCING AUTHORITY

By: James M. Smith,
Secretary
JOINT EXERCISE OF POWERS AGREEMENT

BY AND BETWEEN THE

CITY OF REDWOOD CITY

AND THE

REDEVELOPMENT AGENCY OF
THE CITY OF REDWOOD CITY
JOINT EXERCISE OF POWERS AGREEMENT

THIS AGREEMENT, dated as of June 15, 1991, by and between the CITY OF REDWOOD CITY, a municipal corporation duly organized and existing under the laws of the State of California (herein called the "City"), and the REDEVELOPMENT AGENCY OF THE CITY OF REDWOOD CITY, a public body, corporate and politic, duly organized and existing under the laws of the State of California (herein called "Agency").

WITNESSETH:

WHEREAS, Articles 1 and 2 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California authorize the City and Agency to create a joint exercise of powers entity (herein called the "City of Redwood City Public Financing Authority" or the "Authority") which has the power to jointly exercise any powers common to the City and Agency;

WHEREAS, the City and Agency are each empowered by law to undertake certain projects and programs;

WHEREAS, the City is authorized to enter into leases for certain public purposes pursuant to the Government Code of the State of California;

WHEREAS, Agency is authorized to enter into leases for any of its corporate purposes pursuant to the provisions of the Community Redevelopment Law;

WHEREAS, the City and Agency have decided to jointly finance various municipal improvements for the City and redevelopment projects for the Agency; and

WHEREAS, the Marks-Roos Local Bond Pooling Act of 1985 (hereinafter defined as the "Bond Law") authorizes agencies formed under the Joint Exercise of Powers Law (hereinafter defined as the "Act") to issue bonds for the purpose of acquiring and constructing Public Capital Improvements (as that term is defined in the Act) and to lease those Public Capital Improvements to local agencies;

WHEREAS, by this Agreement, the City and Agency desire to create and establish the City of Redwood City Public Financing Authority for the purposes set forth herein and to exercise the powers described herein;

NOW, THEREFORE, the City and Agency, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the words and terms defined in this Article shall, for the purpose hereof, have the meanings herein specified.
"Act" means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State.

"Agreement" means this Joint Exercise of Powers Agreement.

"Auditor and Treasurer" means the Finance Director of the City, designated as Auditor and Treasurer of the Authority in Section 3.02.

"Authority" means the City of Redwood City Public Financing Authority created pursuant to this Agreement.

"Bond Law" means the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of the Act (commencing with Section 6584), as now or hereafter amended, or any other law hereafter legally available for use by the Authority in the authorization and issuance of Bonds to provide financing for Public Capital Improvements.

"Bonds" means bonds of the Authority issued pursuant to Section 6590 or 6591 of the Bond Law.

"Chairman" means the chairman of the Authority.

"Commission" means the Commission referred to in Section 2.03, which shall be the governing body of the Authority.

"Commissioners" means the representatives of the Members appointed to the Commission pursuant to Section 2.03.

"Fiscal Year" means the period from July 1 to and including the following June 30.

"Members" and "Member" means each of the parties to this Agreement and "Member" means any such party.

"Public Agency" means any public agency authorized by the Act to enter into a joint exercise of powers agreement with the Members.

"Public Capital Improvement" has the meaning given to such term in Section 6585(g) of the Act, as in effect on the date hereof, and as hereinafter amended.

"Secretary" means the secretary of the Authority.

"State" means the State of California.

"Vice Chairman" means the vice chairman of the Authority.

ARTICLE II

GENERAL PROVISIONS

Section 2.01. Purpose. The purpose of this Agreement is to provide for the financing of Public Capital Improvements for the Members through the issuance of Bonds by the Authority, the leasing of the Public Capital Improvements to the Members,
the making of loans to the Members, and the acquisition and refunding of obligations issued by the Members to finance Public Capital Improvements.

Section 2.02. Creation of Authority. Pursuant to the Act, there is hereby created a public entity to be known as the "City of Redwood City Public Financing Authority". The Authority shall be a public entity separate and apart from the Members, and shall administer this Agreement.

Section 2.03. Commission. The Authority shall be administered by a Commission consisting of seven (7) Commissioners. The Mayor, Vice-Mayor, and members of the City Council of the City and the Chairman, Vice-Chairman, and Members of the governing body of the Agency ex officio shall constitute the Chairman, Vice-Chairman, and Commissioners of the Authority, respectively. The number of Commissioners may be changed by amendment of this Agreement. The Commission shall be called the "Commission of the City of Redwood City Public Financing Authority". All voting power of the Authority shall reside in the Commission.

Section 2.04. Meetings of the Commission.

(a) Regular Meetings. The Commission shall provide for its regular meetings; provided, however, that at least one regular meeting shall be held each year. The date, hour and place of the holding of regular meetings shall be fixed by resolution of the Commission and a copy of such resolution shall be filed with each of the Members.

(b) Special Meetings. Special meetings of the Commission may be called in accordance with the provisions of Section 54956 of the Government Code of the State.

(c) Call, Notice and Conduct of Meetings. All meetings of the Commission, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of Sections 54950 et seq. of the Government Code of the State.

Section 2.05. Minutes. The Secretary shall cause to be kept minutes of the meetings of the Commission and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Commissioner and to each of the Members.

Section 2.06. Voting. Each Commissioner shall have one vote.

Section 2.07. Quorum; Required Votes; Approvals. Commissioners holding a majority of the votes shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. The affirmative votes of at least a majority of the Commissioners shall be required to take any action by the Commission.

Section 2.08. Bylaws. The Commission may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings as are necessary for the purposes hereof.
ARTICLE III

OFFICERS AND EMPLOYEES

Section 3.01. Chairman and Vice-Chairman The officers shall perform the duties normal to said offices; and

(a) the Chairman shall sign all contracts on behalf of the Authority, and shall perform such other duties as may be imposed by the Commission; and

(b) the Vice Chairman shall act, sign contracts and perform all of the Chairman's duties in the absence of the Chairman.

Section 3.02. Secretary. The City Manager of the City is hereby designated as the Secretary of the Authority. The Secretary shall countersign all contracts signed by the Chairman or Vice Chairman on behalf of the Authority, perform such other duties as may be imposed by the Commission and cause the Secretary of State's standard form relating to joint exercise of powers agreements to be filed with the California Secretary of State pursuant to the Act.

Section 3.03. Auditor and Treasurer. Pursuant to Section 6505.6 of the Act, the Finance Director of the City is hereby designated as the Auditor and Treasurer of the Authority. The Auditor and Treasurer shall be the depository, shall have custody of all of the accounts, funds and money of the Authority from whatever source, shall have the duties and obligations set forth in Sections 6505 and 6505.5 of the Act and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of the Authority.

Section 3.04. Officers in Charge of Records, Funds and Accounts. Pursuant to Section 6505.1 of the Act, the Auditor and Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto; and the Secretary shall have charge of, handle and have access to all other records of the Authority.

Section 3.05. Bonding Persons Having Access to Public Capital Improvements. From time to time, the Commission may designate persons, in addition to the Secretary and the Auditor and Treasurer, having charge of, handling or having access to any records, funds or accounts of the Authority, and the respective amounts of the official bonds of the Secretary and the Auditor and Treasurer and such other persons pursuant to Section 6505.1 of the Act.

Section 3.06. Legal Advisor. The City Attorney of the City is hereby designated as general counsel to the Authority, to perform such duties as may be prescribed by the Commission.

Section 3.07. Other Employees. The Commission shall have the power to appoint and employ such other consultants and independent contractors as may be necessary for the purposes of this Agreement.

All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents, or employees of a Public Agency when performing their respective functions shall apply to them to the same degree and
extent while engaged in the performance of any of the functions and other duties under this Agreement.

None of the officers, agents, or employees directly employed by the Commission shall be deemed, by reason of their employment by the Commission to be employed by any Member or, by reason of their employment by the Commission, to be subject to any of the requirements of the Members.

Section 3.08. Assistant Officers. The Commission may appoint such assistants to act in the place of the Secretary or other officers of the Authority (other than any Commissioner) as the Commission shall from time to time deem appropriate.

ARTICLE IV

POWERS

Section 4.01. General Powers. The Authority shall exercise in the manner herein provided the powers common to each of the Members and necessary to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 4.04, including but not limited to the common power of eminent domain with respect to Public Capital Improvements. As provided in the Act, the Authority shall be a public entity separate from the Members.

Section 4.02. Powers Under the Bond Law. The Authority shall have all of the powers provided in Article 4 of the Act (commencing with Section 6584), including but not limited to the power to issue Bonds under the Bond Law.

Section 4.03. Specific Powers. The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers, including but not limited to, any or all of the following:

(a) to make and enter into contracts;

(b) to employ agents or employees;

(c) to acquire, construct, manage, maintain or operate any buildings, works or improvements;

(d) to acquire, construct, hold and dispose of Public Capital Improvements, including the leasing of such Public Capital Improvements to any Member;

(e) to sue and be sued in its own name;

(f) to incur debts, liabilities or obligations, provided that no debt, liability or obligation shall constitute a debt, liability or obligation of any of the Members;

(g) to apply for, accept, receive and disburse grants, loans and other aids from any agency of the United States of America or of the State;

(h) to invest any money in the treasury pursuant to Section 6505.5 of the Act that is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same
conditions as local agencies, pursuant to Section 53601 of the Government Code of the State;

(i) to apply for letters of credit or other form of credit enhancement in order to secure the repayment of its Bonds and enter into agreements in connection therewith;

(j) to carry out and enforce all the provisions of this Agreement;

(k) to make Loans to or otherwise acquire obligations issued by any Member; and

(l) to exercise any and all other powers as may be provided in the Act, including but not limited to powers granted under the Bond Law.

Section 4.04. Restrictions on Exercise of Certain Powers. The powers of the Authority shall be exercised in the manner provided in the Act and in the Bond Law, and, except for those powers set forth in the Bond Law, shall be subject (in accordance with Section 6509 of the Act) to the restrictions upon the manner of exercising such powers that are imposed upon the City in the exercise of similar powers.

Section 4.05. Obligations of Authority. The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of any of the Members.

ARTICLE V

METHODS OF PROCEDURE; CREDIT TO MEMBERS

Section 5.01. Assumption of Responsibilities By the Authority. As soon as practicable after the date of execution of this Agreement, the Commissioners shall give notice (in the manner required by Section 2.04) of the organizational meeting of the Commission. At said meeting the Commission shall provide for its regular meetings as required by Section 2.04.

Section 5.02. Delegation of Powers. Each of the Members hereby delegates to the Authority the power and duty to acquire and to finance, by lease, lease-purchase, installment sale agreements, loan agreements or otherwise, such Public Capital Improvements as are necessary or convenient for the purposes of the Members.

Section 5.03. Credit to Members. All accounts or funds created and established pursuant to any trust agreement or indenture to which the Authority is a party, and any interest earned or accrued thereon, shall inure to the benefit of the respective Members for which such funds or accounts were created.

ARTICLE VI

CONTRIBUTION: ACCOUNTS AND REPORTS: FUNDS

Section 6.01. Contributions. The Members may in the appropriate circumstance when required hereunder: (a) make contributions from their treasuries for the purposes set forth herein, (b) make payments of public funds to defray the cost of such purposes, (c) make advances of public funds for such purposes, such advances to be repaid as provided
herein, or (d) use its personnel, equipment or property in lieu of other contributions or advances. The provisions of Government Code 6513 are hereby incorporated into this Agreement.

Section 6.02. Accounts and Reports. To the extent not covered by the duties assigned to a trustee chosen by the Authority, the Auditor and Treasurer shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any trust agreement or indenture entered into with respect to the proceeds of any Bonds issued by the Authority. The books and records of the Authority in the hands of a trustee or the Auditor and Treasurer shall be open to inspection at all reasonable times by representatives of the Members. The Auditor and Treasurer of the Authority, within 180 days after the close of each Fiscal Year, shall give a complete written report of all financial activities for such Fiscal Year to the Members to the extent such activities are not covered by the report of such trustee. The trustee appointed under any trust agreement or indenture shall establish suitable funds, furnish financial reports and provide suitable accounting procedures to carry out the provisions of said trust agreement or indenture. Said trustee may be given such duties in said trust agreement or indenture as may be desirable to carry out this Agreement.

Section 6.03. Funds. Subject to the applicable provisions of any trust agreement or indenture which the Authority may enter into, which may provide for a trustee to receive, have custody of and disburse Authority funds, the Auditor and Treasurer of the Authority shall receive, have the custody of and disburse Authority funds as nearly as possible in accordance with generally accepted accounting practices, shall make the disbursements required by this Agreement or to carry out any of the provisions or purposes of this Agreement.

Section 6.04. Administrative Expenses. The Members shall pay their proportionate share (determined on the basis of a Member’s percentage share of any financings completed by the Authority) of administrative expenses of the Authority.

ARTICLE VII
TERM; DISPOSITION OF ASSETS

Section 7.01. Term. This Agreement shall become effective as of the date of execution hereof by the parties hereto, and shall continue in full force and effect so long as bonds of the Authority are outstanding or so long as any agreements to which the Authority is a party remain outstanding.

Section 7.02. Disposition of Assets. Upon termination of this Agreement, all property of the Authority, both real and personal, shall be divided among the parties hereto in such manner as shall be agreed upon by the parties.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

Section 8.01. Notices. Notices hereunder shall be in writing and shall be sufficient if addressed to the City Manager, in the case of the City, and the Executive Director, in the case of the Agency, and delivered to:
Section 8.02. Section headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 8.03. Consent. Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 8.04. Law Governing. This Agreement is made in the State under the constitution and laws of the State and is to be so construed.

Section 8.05. Amendments. This Agreement may be amended at any time, or from time to time, except as limited by contract with the holders of Bonds issued by the Authority or certificates of participation in payments to be made by the Authority or the Members or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by all of the parties to this Agreement either as required in order to carry out any of the provisions of this Agreement or for any other purpose, including without limitation addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in pursuance of the purposes of this Agreement.

Section 8.06. Enforcement by Authority. The Authority is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.

Section 8.07. Severability. Should any part, term or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Section 8.08. Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the respective Members. Neither of the Members may assign any right or obligation hereunder without the written consent of the other Member.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

CITY OF REDWOOD CITY

By: Georgi LaBerge
Mayor

[SEAL]

ATTEST

[SEAL]

ARLYN C. JORGENSEN
City Clerk

REDEVELOPMENT AGENCY OF THE CITY OF REDWOOD CITY

By: Georgi LaBerge
Chairman

[SEAL]

ATTEST:

[SEAL]

ARLYN C. JORGENSEN
Secretary

[SEAL]

MARIE BEIN
Deputy City Clerk

In Witness Whereof, I have hereunto set my hand and the seal of said City this 24th day of July, 1971.
May 17, 2012

Brian Ponty, Finance Director
City of Redwood City
1017 Middlefield Road
Redwood City, CA 94063

Dear Mr. Ponty:

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the City of Redwood City (City) Successor Agency submitted a Recognized Obligation Payment Schedule (ROPS) to the California Department of Finance (Finance) on May 9, 2012 for the period July through December 2012.

On April 27, 2012, Finance sent a letter stating the results of the review on the ROPS for January through July 2012. Using the documentation previously requested, it was determined the following items still do not qualify as EOs:

Page 1, item Nos. 5 and 6 for Capital Improvements totaling $1.6 million. HSC section 34171(d)(2) states loan arrangements between the City and the former redevelopment agency are not enforceable obligations.

As authorized by HSC section 34179 (h), Finance is returning your ROPS for reconsideration. This action will cause the ROPS items noted above to be ineffective until Finance approval. Furthermore, items listed on future ROPS will be subject to review and may be denied as EOs.

If you believe we have reached this conclusion in error, please provide further evidence that the items questioned above meet the definition of an EO.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Kristen Mees, Economic Development Secretary, City of Redwood City
Mr. Bob Adler, Auditor Controller, San Mateo County
Ms. Shirley Tourel, Manager, Auditor Controller’s Office, San Mateo County
May 31, 2012

Brian Ponty, Finance Director  
City of Redwood City  
1017 Middlefield Road  
Redwood City, CA 94063

Dear Mr. Ponty:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (l) (2) (C), the Redwood City Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 29, 2012 for the period January to June 2012 and on May 9, 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.

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

January through June 2012

- Page 1, item 6 and 7 for Capital Improvements totaling $2.5 million. HSC section 34171 (d) (2) states loan arrangements between the City and the former redevelopment agency not enforceable obligations. This item is to pay back bonds issued by the city.

- HSC section 34171 (b) limits administrative costs to five percent of property tax allocated or $250,000, whichever is greater. Five percent of the property tax allocated is $95,133. Therefore, $848,427 of the claimed $1,098,427 is not an EO. The following items are costs: Page 1 – Items 9, 10, 12, 35, 40, 41, 42, 46 and Page 3 – Item 1.

July through December 2012

- Page 1, item No. 5 and 6 for Capital Improvements totaling $1.6 million. HSC section 34171(d) (2) states loan arrangements between the City and the former redevelopment agency are not enforceable obligations.

Except for items disallowed in whole or in part as enforceable obligations noted above, Finance is approving the remaining items listed in your ROPS for both periods. This letter supersedes previous letters sent from out office and is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund 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 Redevelopment Property Tax Trust Fund (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 Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL
Program Budget Manager

cc: Ms. Kristen Mees, Econcomic Development Secretary, City of Redwood City
    Mr. Bob Adler, Auditor Controller, San Mateo County
    Ms. Shirley Tourel, Manager, Auditor Controller of San Mateo
July 1, 2012

Mr. Robert Scott
State of California
Department of Finance
915 L Street
Sacramento, CA 95814-3706

Subject: Appeal of Department of Finance Decision

Dear Mr. Scott:

Thank you for time these past few weeks to discuss the questions I have posed concerning the State Department of Finance’s (“DOF”) position on certain items on the Recognized Obligation Payment Schedule (“ROPS”) that we have submitted, and particularly, the assistance you provided in connection with the $680,224 understatement on the ROPS we submitted for the January through June 2012 period and our concern about the treatment of the pension liabilities on our ROPS. I appreciate your taking the time to understand the reasons behind this understatement and approve the requested higher amount. Moreover, I appreciate your willingness to remove, as discussed on May 15th, the pension obligations from your list of disqualified items to provide us additional time to work with our Oversight Board and the DOF on this item.

As we discussed on May 15 there is one remaining item in dispute; the loan the City made to the former Redevelopment Agency in 2005. Based upon our discussion I understand that the DOF is disputing the use of Redevelopment Property Tax Trust Funds (“RPTTF”) for any bond repayments before and after February 1, 2012.

As to the use of RPTTF for the $807,792 payment made in January 2012, there is no question or dispute that the Bond Loan was an enforceable obligation as of January 2012. SBX1 26 is clear in providing that agreements between redevelopment agencies and their sponsoring cities are enforceable obligations through January 31, 2012. (See Section H&S Code Section 34167(2) and (5).) Under H&S Code Section 34167(h), the Redevelopment Agency could only make payments listed in the adopted EOPS. The Redwood City Redevelopment Agency included an $807,792 payment for the Bond Loan as an enforceable obligation, and as required under H&S Code Section 34169 the agency made the Bond Loan payment in January consistent with the EOPS schedule. Furthermore, the Successor Agency then included such Bond Loan payment in the initial ROPS. The property tax apportionment of last fall is to fund all enforceable obligations from January through June 2012. Again, though we may be in disagreement as to the effectiveness of the Bond Loan as of February 1, 2012, the Bond Loan is an
enforceable obligation as of January 2012 and therefore, the Agency made an appropriate use of the tax apportionment for the Bond Loan payment.

As to the Bond Loan’s effectiveness as an enforceable obligation as of February 1, 2012, we continue to disagree with the DOF’s conclusion that the Bond Loan is no longer an enforceable obligation as of February 1, 2012. The Bond Loan was appropriately included as an enforceable obligation in the agency’s ROPS after February 1, 2012 under H&S Code Section 34171(d)(2). The Redwood City Public Finance Authority (“PFA”), a joint powers authority of Redwood City and the Redwood City Redevelopment Agency issued the bonds. In 2003, the PFA issued $11,475,000 of bonds. $3,000,000 of the proceeds of the bond issue were issued to provide a loan to the Redevelopment Agency to assist in financing programs, projects, and activities relating to Redevelopment Project Area No. 2 – the City’s Downtown (See Official Statement, Financing Plan, page 3). In 2003, the Redwood City City Council and the Redwood City Redevelopment Agency Board conceptually approved a plan to finance various downtown improvements which relied, in part, on the $3,000,000 Bond Loan from the City to the Agency (see January 24, 2005 Staff Report). Also attached is a copy of the November 3, 2003 staff report requesting authorization to sell the bonds which clearly calls out that a portion of the proceeds will be lent to the Redevelopment Agency. We have provided you with a copy of the JPA Agreement, relevant sections of the Official Statement for the bond issue, and the Bond Loan Agreement, and enclose the documents again for ease of review along with the November 3, 2003 and January 24, 2005 staff reports.

Also enclosed are copies of all correspondence between City staff and the Department of Finance on this matter.

We have made several attempts to resolve this dispute with phone calls and email communications (see attached written communications). We ask that you revisit this item yet again in order to finally resolve this one remaining item in dispute on the Initial ROPS.

I thank you in advance for your anticipated cooperation and am available to respond to any further inquiries you may have concerning this matter.

Sincerely,

[Signature]
Brian Ponty
Finance Director

Enclosures
2. Staff Report November 3, 2003
3. Official Statement 2003
4. Staff Report January 24, 2005
5. Loan Agreement February 1, 2005
6. Response to Department of Finance inquiry made March 28, 2012
7. Email Correspondence from April 5, 2012
8. Email Correspondence from April 24, 2012
9. Response to Department of Finance inquiry made April 24, 2012
10. Response to Department of Finance inquiry made April 27, 2012
C: Mr. Mark Hill, Program Budget Manager, State Department of Finance  
Mr. Bob Adler, Audit Controller, San Mateo County  
Ms. Shirley Tourel, Senior Auditor, San Mateo County  
Mr. Robert Bell, City Manager, City of Redwood City