

November 18, 2016

Ms. Sarah T. Schlenk, Agency Administrative Manager
City of Oakland
250 Frank H. Ogawa Plaza, Suite 3315
Oakland, CA 94612

Dear Ms. Schlenk:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of Oakland Successor Agency (Agency) submitted an amended Recognized Obligation Payment Schedule for the period January 1, 2017 through June 30, 2017 (ROPS 16-17B) to the California Department of Finance (Finance) on September 29, 2016. Finance has completed its review of the Amended ROPS 16-17B.

Based on our review, Finance is approving all of the adjustments requested totaling \$4,635,000 in Redevelopment Property Tax Trust Fund (RPTTF) and \$1,265,150 in Bond Proceeds funding on the Amended ROPS 16-17B.

The Agency's amended maximum approved RPTTF for the ROPS 16-17B period is \$52,612,415 as summarized in the Approved RPTTF Distribution table on Page 3 (See Attachment).

Please refer to the ROPS 16-17B schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

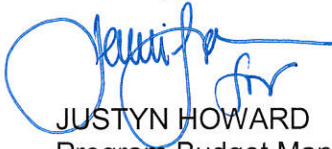
This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 16-17B. Please note there is not a Meet and Confer option for the Amended ROPS process so Finance's determination is final. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this Amended ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. 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 to the Agency in the RPTTF.

Please direct inquiries to Cindie Lor, Supervisor, or Mathew Rios, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Patrick Lane, Development Manager, City of Oakland
Ms. Carol S. Orth, Tax Analysis, Division Chief, Alameda County

Attachment

Approved RPTTF Distribution	
For the period of January 2017 through June 2017	
Authorized RPTTF on ROPS 16-17B	\$ 46,763,227
Authorized Administrative RPTTF on ROPS 16-17B	1,214,188
Total Authorized RPTTF on ROPS 16-17B	47,977,415
Authorized 16-17B RPTTF Adjustments	4,635,000
Total Amended ROPS 16-17B RPTTF approved for distribution	\$ 52,612,415



November 18, 2016

Ms. Sarah T. Schlenk, Agency Administrative Manager
City of Oakland
250 Frank H. Ogawa Plaza, Suite 3315
Oakland, CA 94612

Dear Ms. Schlenk:

Subject: Approval of Oversight Board Actions

The City of City of Oakland Successor Agency (Agency) notified the California Department of Finance (Finance) of its September 26, 2016 Oversight Board (OB) resolutions on October 7, 2016. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB actions.

Based on our review and application of the law, Finance has made the following determinations:

OB Resolution No. 2016-5

OB Resolution No. 2016-5, consenting to the assignment of a \$1,400,000 loan between the Agency and Fox Theater Master Tenant, LLC (FTMT) to Fox Oakland Theater, Inc. (FOT), and subordinating the loan to a new \$4,600,000 loan, is approved.

It is our understanding the assignment of the \$1,400,000 loan to FOT is necessary because FTMT is expected to dissolve, and assignment of the loan to FOT requires Agency approval. Upon assignment, FOT will assume the obligations under the Agency loan, and continue to pledge a portion of the rent from the restaurant space and repayment of tenant improvement allowance provided to the tenants of the restaurant space. Furthermore, subordinating the \$1,400,000 loan is requested by FOT to assist in securing the refinancing of another loan in which the Agency is the guarantor.

OB Resolution No. 2016-6

OB Resolution No. 2016-6, modifying the existing loan repayment guaranty from the Agency to FOT for a conventional loan not to exceed \$4,600,000, is approved.

It is our understanding that FOT desires to refinance its \$4,600,000 outstanding loan with Bank of America to eliminate an upcoming balloon payment due on December 20, 2016. The Agency is the guarantor for the loan, and therefore; it is necessary for the Agency to be guarantor the new \$4,600,000 refinanced FOT loan. Further, because the Agency is the guarantor, if FOT is unable to refinance their loan, the Agency has listed the final balloon payment of \$4,600,000 under Item No. 98 on the Amended Recognized Obligation Payment Schedule for the January 1, 2017 through June 30, 2017 period (Amended ROPS 16-17B). Finance notes that if the loan

refinancing is successful, the Agency is required to report the unused Redevelopment Property Tax Trust Fund (RPTTF) funding distributed during the Amended ROPS 16-17B for the Item No. 98 as part of the prior period adjustment to be applied to the Agency's future RPTTF distribution.

These are our determinations with respect to the OB actions taken.

Please direct inquiries to Cindie Lor, Supervisor, or Mathew Rios, Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Program Budget Manager

cc: Mr. Patrick Lane, Development Manager, City of Oakland
Ms. Carol S. Orth, Tax Analysis, Division Chief, Alameda County

From: [Eve-Fisher, Saundra D.](#)
To: [Schlenk, Sarah](#); [Todd, Amber](#)
Subject: RE: Oakland Amended ROPS 16-17B Received
Date: Thursday, January 05, 2017 2:10:33 PM

Got it, thanks!

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

From: Schlenk, Sarah
Sent: Thursday, January 05, 2017 12:36 PM
To: Todd, Amber; Eve-Fisher, Saundra D.
Subject: RE: Oakland Amended ROPS 16-17B Received

Here is a PDF of the revised Exhibit A for Legistar.

Thanks,
Sarah

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

From: Schlenk, Sarah
Sent: Thursday, January 05, 2017 12:15 PM
To: ATodd@oaklandnet.com; Eve-Fisher, Saundra D.
Cc: Lane, Patrick; Daniel, Christine
Subject: FW: Oakland Amended ROPS 16-17B Received

Hi all,

I need to submit a quick supplemental for the ROPS item (#3) on CED (see below). Should have it for you by 1pm.

Thanks,
-Sarah

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

From: Lor, Cindie [<mailto:Cindie.Lor@dof.ca.gov>]
Sent: Wednesday, January 04, 2017 3:15 PM
To: 'Orth, Carol, Auditor Agency'; Schlenk, Sarah
Cc: Lane, Patrick; Howard, Justyn; Wong, Christina, Auditor Agency; Kasaine, Katano; Kumar, Madhukar; Chin, Jennifer; Guo, Jason, Auditor Agency
Subject: RE: Oakland Amended ROPS 16-17B Received

Oh, I see. Thanks for the clarification.

Cindie

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

From: Orth, Carol, Auditor Agency [<mailto:carol.orth@acgov.org>]
Sent: Wednesday, January 04, 2017 10:30 AM
To: Lor, Cindie; 'Schlenk, Sarah'
Cc: Lane, Patrick; Howard, Justyn; Wong, Christina, Auditor Agency; Kasaine, Katano; Kumar, Madhukar; Chin, Jennifer; Guo, Jason, Auditor Agency
Subject: RE: Oakland Amended ROPS 16-17B Received

Cinde,

Just to ensure that I am explaining the situation correctly: The shortfall in payment was not due to lack of funds, it was due to the County of Alameda not receiving the November 18 letter. So, for the January 3 payment, the Oakland SA received less than approved and the ATEs received more in residual than they should. In June the Oakland SA will receive the payment for the shortfall and the ATEs will receive less residual. However, the

payments will balance out.

Carol

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

From: Lor, Cindie [<mailto:Cindie.Lor@dof.ca.gov>]

Sent: Wednesday, January 4, 2017 8:25 AM

To: Orth, Carol, Auditor Agency <carol.orth@acgov.org>; 'Schlenk, Sarah' <SSchlenk@oaklandnet.com>

Cc: Lane, Patrick <PLane@oaklandnet.com>; Howard, Justyn <Justyn.Howard@dof.ca.gov>; Wong, Christina, Auditor Agency <christina.wong@acgov.org>; Kasaine, Katano <KKasaine@oaklandnet.com>; Kumar, Madhukar <MKumar@oaklandnet.com>; Chin, Jennifer <JXChin@oaklandnet.com>

Subject: RE: Oakland Amended ROPS 16-17B Received

Hello. As with any RPTTF shortfalls, the Agency should list the shortfall amount on the ROPS as a new line item for Finance's review and approval. We will correct the spelling of Carol's email so that she receives future correspondences.

Thank you,
Cindie

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

From: Orth, Carol, Auditor Agency [<mailto:carol.orth@acgov.org>]

Sent: Tuesday, January 03, 2017 5:28 PM

To: 'Schlenk, Sarah'

Cc: Lane, Patrick; Howard, Justyn; Wong, Christina, Auditor Agency; Kasaine, Katano; Kumar, Madhukar; Chin, Jennifer; Lor, Cindie

Subject: RE: Oakland Amended ROPS 16-17B Received

Cindie,

Since you are with the DOF, I am going to defer to you as to what the Oakland SA needs to do to have this shortfall paid with the June payment, 17-18A ROPS.

Our office never received the revised letter for the additional payment of \$4.6million due to an incorrect spelling of my name in the e-mail from DOF.

Thank you for your guidance,
Carol

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

From: Schlenk, Sarah [<mailto:SSchlenk@oaklandnet.com>]

Sent: Tuesday, January 3, 2017 5:10 PM

To: Orth, Carol, Auditor Agency <carol.orth@acgov.org>

Cc: Lane, Patrick <PLane@oaklandnet.com>; 'Howard, Justyn' <Justyn.Howard@dof.ca.gov>; Wong, Christina, Auditor Agency <christina.wong@acgov.org>; Kasaine, Katano <KKasaine@oaklandnet.com>; Kumar, Madhukar <MKumar@oaklandnet.com>; Chin, Jennifer <JXChin@oaklandnet.com>; 'Lor, Cindie' <Cindie.Lor@dof.ca.gov>

Subject: RE: Oakland Amended ROPS 16-17B Received

Hi Carol,

I received your voicemail. I agree, the shortfall amount from the January 2017 disbursement totaling \$4.635,000 for ROPS 16-17B amendment can be made up in June with the ROPS 17-18A disbursement.

I'm not sure how else this needs to be documented. If something else is needed, please advise.

Thanks,
Sarah

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

From: Orth, Carol, Auditor Agency [<mailto:carol.orth@acgov.org>]

Sent: Friday, December 30, 2016 5:21 PM
To: Schlenk, Sarah
Cc: Lane, Patrick
Subject: RE: Oakland Amended ROPS 16-17B Received

Sarah,

Yes, we received the Sept 29 letter. However, I never received DOF's response. Per the e-mail that Patrick sent, DOF misspelled my name, thus I never received their response. The first we heard about the final amount was today.

Let's talk next week.

Happy New Year,
Carol

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

From: Schlenk, Sarah [<mailto:SSchlenk@oaklandnet.com>]
Sent: Friday, December 30, 2016 4:14 PM
To: Orth, Carol, Auditor Agency <carol.orth@acgov.org>
Cc: Lane, Patrick <PLane@oaklandnet.com>
Subject: FW: Oakland Amended ROPS 16-17B Received

Hi Carol,

Here is the email that I sent back in September. Attached is the letter from DOF, which I thought you were always cc'd on. Please advise what else you need to remedy the payment shortfall.

Thanks,
Sarah

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

From: Schlenk, Sarah
Sent: Thursday, September 29, 2016 10:54 AM
To: Orth, Carol, Auditor Agency
Subject: FW: Oakland Amended ROPS 16-17B Received

Hello again,
Excel file is also attached.
Thanks,
Sarah

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

From: Schlenk, Sarah
Sent: Thursday, September 29, 2016 10:53 AM
To: 'steve.manning@acgov.org'; 'RDA-SDSupport@sco.ca.gov'
Cc: Orth, Carol, Auditor Agency; Rossi, Daniel; Lane, Patrick; Sawicki, Mark; Thompson, Norma; Byrd, Michele
Subject: FW: Oakland Amended ROPS 16-17B Received

Good Morning,

Please find attached resolution 2016-7 adopted by the Oakland Oversight Board on September 26, 2016 – adopting the Amended ROPS 16-17B.

Thanks,
Sarah

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

From: Redevelopment_Administration@dof.ca.gov [mailto:Redevelopment_Administration@dof.ca.gov]
Sent: Thursday, September 29, 2016 10:48 AM

To: Schlenk, Sarah
Cc: Lane, Patrick
Subject: Oakland Amended ROPS 16-17B Received

Thank you for submitting your Amended ROPS 16-17B through the Redevelopment Agency Dissolution Web Application (RAD App). A notification e-mail has been sent to Finance's Redevelopment Administration inbox. Finance will review the submitted ROPS documents for completion. Agency will receive a separate e-mail notification if the Amended ROPS is rejected. If rejected, the Agency will have to resubmit the required ROPS documents through the RAD App again. If your ROPS is accepted, Finance analyst will contact you to request documentation and ask follow-up questions.

Agencies must use the RAD App for ROPS submission. No other means of submission will be accepted. ROPS submitted through the RAD App will only be received by Finance. In accordance with HSC section 34177 (1)(2) (C), agencies should separately e-mail a copy of the Excel Amended ROPS and OB resolution to the County Auditor-Controller and the State Controller's Office. A copy of the ROPS should also be posted on agency websites.

Sincerely,
Department of Finance
Local Government Unit