

**Schlenk, Sarah**

---

**From:** Lor, Cindie [Cindie.Lor@dof.ca.gov]  
**Sent:** Thursday, March 07, 2013 3:51 PM  
**To:** Schlenk, Sarah  
**Cc:** Orth, Carol, Auditor Agency; Rossi, Daniel; Gustafson, Laurie; Blackwell, Fred; patrick.oconnell@acgov.org; susan.muranishi@acgov.org; Vermillion, Todd  
**Subject:** Oakland ROPS 13-14A: Documents requested  
**Importance:** High  
**Attachments:** Oakland ROPS Obligations Selected.xlsx

Dear Ms. Schlenk.

I've been assigned to review the Agency's Recognized Obligation Payment Schedule for the period July through December 2013 (ROPS 13-14A). I've attached a spreadsheet listing the ROPS obligations I have selected to review. Documents can be e-mailed to me on a flow basis as you obtain them. Please provide all requested documents to me by **C.O.B. Thursday, March 14, 2013**.

In addition to the obligations selected for review, the attached spreadsheet also lists obligations reported on the ROPS with a total obligation of \$0. The ROPS 13-14A notes provided by the agency did not identify if the obligations were terminated or completed. Please confirm if each obligation has been terminated or completed. If not, please explain why total obligation on the ROPS 13-14A is \$0.

Finance is statutorily obligated to operate within a 45-day review period. I hope to work expeditiously with you to resolve any questions within the specified time frame.

**Cindie Lor**  
CA Department of Finance  
(916) 322-2985 x3733

3/14/2013

#7

Item #	Project Name / Debt Obligation	Project/Debt Obligations Selected for Review
12	Jack London Gateway	Please provide signed contracts/agreements.
29	MacArthur Transit Village/OPA (Non Housing)	Please provide signed contracts/agreements.
75	Uptown - Prop 1C	Please provide signed contracts/agreements.
384	Grant/Loan Mgmt Software	Please provide signed contracts/agreements. If agreement is with the City, please provide the City's 3rd party contracts.
422	Oak to 9th	Please provide signed contracts/agreements. If agreement is with the City, please also provide the City's 3rd party contracts.
424	Grant for tenant improvements and façade restoration at the Fox theater	Please provide signed contracts/agreements.
7	PERS Pension obligation	Please provide documents to support methodology for determining estimated payment for the ROPS period and relevant documents to support amount requested, such as repayment schedule.
8	OPEB unfunded obligation	Please provide documents to support methodology for determining estimated payment for the ROPS period and any relevant documents to support amount requested, such as repayment schedule.
10	Unemployment obligation	Please provide documents to support methodology for determining estimated payment for the ROPS period and relevant documents to support amount requested, such as repayment schedule.
14	B/M/SP project & other staff/operations, successor agency	Please provide documents to support methodology for determining estimated payment for the ROPS period and any other relevant documents to support amount requested.
54	Central District project & other staff/operations, successor agency	
196	Central City East project & other staff/operations, successor agency	
241	Coliseum project & other staff/operations, successor agency	
298	Oak Knoll project & other staff/operations, successor agency	
303	West Oakland project & other staff/operations, successor agency	

Obligations with Total Obligation of \$0. Please confirm if each obligation below has been terminate/completed	
31	B/M/SP Plan Amendment/Seifel Consulting Inc.
32	B/M/SP Plan Amendment/Env. Science Assoc.
33	B/M/SP Plan Amendment / Wood Rodgers
35	Broadway Specific Plan / WRT Contract
36	Oakland Housing Authority Solar Grant
76	Scotlan Convention Center
102	Parking Facility Parking Tax Liability
103	Downtown Capital Project Support
237	1045 East 12th Street
239	338 E. 18th Street
244	Classic Parking - 6775 Oakport/Security Deposit
245	Oracle Arena & Oakland Alameda County Coliseum/Security Deposit
341	Hugh Taylor House Rehab
344	Effie's House Rehab
349	James Lee Court
351	MacArthur Apartments
357	Grid Alternatives
374	2006A Housing Bonds
385	15th and Castro
392	St. Joseph's Family
394	Emancipation Village
412	Oaks Hotel
413	Kenneth Henry Court
414	Hugh Taylor House rehab
415	St. Joseph's Family Apts
416	Golf Links Road

**Schlenk, Sarah**

---

**From:** Ark, Satveer [Satveer.Ark@dof.ca.gov]  
**Sent:** Wednesday, March 13, 2013 3:57 PM  
**To:** Schlenk, Sarah  
**Subject:** RE: City of Oakland's Other Funds DDR Review

On page 3 of the funding agreement it reads:

2. The Agency agrees to make an advance lump sum payment to the City in the amount of \$258,000,000, no later than June 30, 2011, to partially fund the Projects. The City shall hold such advanced funds until needed, and when needed shall use such advanced funds to cover Project costs as set forth above, as allocated to specific Projects chosen by the City in its reasonable discretion in amounts not to exceed those amounts set forth in Exhibit A.

Did the RDA make this advance to the City? If yes, please let me know which expenditure item it relates to on the expenditure listing submit by the Agency. I don't see an expenditure for that amount in the spreadsheet.

For the projects listed on Exhibit A:

1) Has the City executed contracts for any of the projects listed? If yes, please advise which items and submit the supporting agreements.

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

---

**From:** Schlenk, Sarah [mailto:SSchlenk@oaklandnet.com]  
**Sent:** Wednesday, March 13, 2013 2:52 PM  
**To:** Ark, Satveer  
**Subject:** RE: City of Oakland's Other Funds DDR Review

Sure, here you go.  
 -Sarah

---

**From:** Ark, Satveer [mailto:Satveer.Ark@dof.ca.gov]  
**Sent:** Wednesday, March 13, 2013 2:00 PM  
**To:** Schlenk, Sarah  
**Subject:** RE: City of Oakland's Other Funds DDR Review

Hi Sarah,

Resolution 2011-0027 C.M.S mentions a funding agreement between the RDA and the City. Was this agreement executed? If so, please email the agreement to me.

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

---

**From:** Schlenk, Sarah [mailto:SSchlenk@oaklandnet.com]  
**Sent:** Monday, March 11, 2013 11:46 AM  
**To:** Ark, Satveer  
**Subject:** FW: City of Oakland's Other Funds DDR Review

#7

3/14/2013

Good Morning,  
Please see attached and additional information below per your request.  
-Sarah

---

**From:** Jourdain, Ava  
**Sent:** Friday, March 08, 2013 12:50 PM  
**To:** Schlenk, Sarah  
**Cc:** Rossi, Daniel; Hunter, Gregory  
**Subject:** FW: City of Oakland's Other Funds DDR Review

Hello Sarah,

I am forwarding a copy of the Grant Deeds per your request. Please note that most of the .tif documents are multiple pages, you will have to look down at the lower screen to determine how many pages and the page numbers. You cannot just scroll down the screen.

Here are my comments for the some of the other parcels:

- APN 000-0450-001 has been assigned a new APN (018-0450-001) I have included the new assessor map.
- APN 033-2250-018-03 was recorded as APN 033-2250-018-06(portion) 08(portion)
- APN 025-0733-008-02 includes 2759 and 2777 Foothill Blvd

If there are any additional questions, please contact me.

*Ava M. Jourdain*

Real Estate Agent  
SR/WA, Notary Public  
City of Oakland

Real Estate Services Division  
Office of Neighborhood Investment

*Proudly providing real estate services to all City departments and Oakland residents*

250 Frank Ogawa Plaza (510) 238-6363 office  
4th floor, Suite 4314 (510) 238-2240 fax  
Oakland, CA 94612 (510) 839-6451 TDD

[ajourdain@oaklandnet.com](mailto:ajourdain@oaklandnet.com)

*Notice: This email is confidential and intended only for the named recipient above. If you have received this message in error, or are not the named recipient, please immediately notify the sender and delete this email from your computer.*

 Please consider the environment before printing this email

---

**From:** Schlenk, Sarah  
**Sent:** Thursday, March 07, 2013 4:08 PM  
**To:** Jourdain, Ava  
**Cc:** Rossi, Daniel; Hunter, Gregory  
**Subject:** FW: City of Oakland's Other Funds DDR Review

Hi Ava,  
I may have some of these, but probably easier for you to provide them in total. The list is attached.  
Thanks,  
Sarah

3/14/2013

---

**From:** Ark, Satveer [<mailto:Satveer.Ark@dof.ca.gov>]  
**Sent:** Thursday, March 07, 2013 4:01 PM  
**To:** Schlenk, Sarah  
**Subject:** RE: City of Oakland's Other Funds DDR Review

Hi Sarah,

Please email me the Grant Deed's for the 10 properties listed on Attachment C.

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

---

**From:** Schlenk, Sarah [<mailto:SSchlenk@oaklandnet.com>]  
**Sent:** Monday, March 04, 2013 12:59 PM  
**To:** Ark, Satveer  
**Subject:** RE: City of Oakland's Other Funds DDR Review

Hello Satveer,  
Please see attached requested items for Attachment C.  
Other items to follow.  
Thanks,  
Sarah

---

**From:** Ark, Satveer [<mailto:Satveer.Ark@dof.ca.gov>]  
**Sent:** Monday, March 04, 2013 10:59 AM  
**To:** Schlenk, Sarah  
**Subject:** RE: City of Oakland's Other Funds DDR Review

Good Morning Sarah,

I have the following questions pertaining to Oakland's non housing DDR.

Attachment C:

Items 1 & 2 refer to a Purchase and sale agreement dated 3/3/11, and items 3-10 refer to a Purchase and sale agreement with leaseback option also dated 3/3/11. Please email me both of the agreements along with any amendments.

Also, please send me Agency Resolution's 2011-0045, 2011-0027, and 2011-0023.

Attachment D and E:

On Attachment D the 6/30/12 cash and investments balance totals \$108,068,000 (this figure matches the balance on page 32 of the CAFR). On Attachment E, cash and investments on 6/30/12 totals \$70,305,838. Could you please explain the variance of \$37,762,162.

Attachment D-listed an amount of \$8,894,000 "Due from the City of Oakland." This balance was not carried forward to the 6/30/12 balance. Why was the balance not carried over? Also, please provide any documentation relating to the agreement.

Attachment D- Notes and loans receivable, net totaled \$138,876,000 on 1/31/12, this balance dropped to \$6,375,000 on 6/30/12. Please explain the variance of \$132,501,000.

3/14/2013

Attachment G: Property held for resale \$38,957,000. Does this amount pertain to one property or multiple properties? If it's multiple properties, send me a listing of the properties that make up this amount. If it's one property, send me the documentation valuing the property in this amount.

Please provide feedback by noon on 3/5/13. If you have any questions, feel free to contact me.

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

---

**From:** Schlenk, Sarah [<mailto:SSchlenk@oaklandnet.com>]  
**Sent:** Tuesday, February 19, 2013 8:47 AM  
**To:** Ark, Satveer  
**Cc:** Vermillion, Todd; Solitei, Osborn; Woo, Theresa  
**Subject:** FW: City of Oakland's Other Funds DDR Review

Good Morning,  
Attached are the other requested materials.  
Thanks,  
Sarah

---

**From:** Woo, Theresa  
**Sent:** Friday, February 15, 2013 2:41 PM  
**To:** Solitei, Osborn; Schlenk, Sarah  
**Subject:** RE: City of Oakland's Other Funds DDR Review

Hi Sarah,

Attached is the items requested by DOF for your review and release. The last item should be on our website. If you have any questions, please email or call me at ext. 3372. Thanks.

Theresa

---

**From:** Solitei, Osborn  
**Sent:** Thursday, February 14, 2013 6:42 PM  
**To:** Schlenk, Sarah; Woo, Theresa  
**Subject:** RE: City of Oakland's Other Funds DDR Review

Theresa,

Please forward the completed items to Sarah

Thanks

**Osborn Solitei**  
**Controller**

City of Oakland | Administrative Service Department | Controller's Office  
150 Frank H Ogawa Plaza, Ste 6353 | Oakland, CA 94612  
Tel: (510) 238-3809 | Fax: (510) 238-3915  
Email: [osolitei@oaklandnet.com](mailto:osolitei@oaklandnet.com)

---

3/14/2013

Oakland Ranked #5 Place to Visit in the World!  
New York Times, January 2012 <http://bit.ly/GB3s8f>

---

**From:** Schlenk, Sarah  
**Sent:** Wednesday, February 13, 2013 8:10 AM  
**To:** Solitei, Osborn  
**Cc:** Rossi, Daniel; Blackwell, Fred  
**Subject:** FW: City of Oakland's Other Funds DDR Review  
**Importance:** High

Morning Osborn,  
Please see below. How much time do you need?  
Thanks,  
Sarah

---

**From:** Ark, Satveer [<mailto:Satveer.Ark@dof.ca.gov>]  
**Sent:** Monday, February 11, 2013 12:52 PM  
**To:** Schlenk, Sarah  
**Cc:** Vermillion, Todd  
**Subject:** City of Oakland's Other Funds DDR Review

I am in the process of reviewing City of Oakland's Other Funds DDR. Please provide the following to me within 5 business days:

- A Chart of Accounts identifying all RDA related funds.
- Accounting Records (general ledger or trial balance) for the RDA related funds (excluding housing), showing the detail of expenditures and transfers from 1/1/11 through 6/30/11, and from 7/1/11 through 6/30/12.
- A summary of revenue by type from 7/1/11 to 6/30/12 (e.g., rental income, parking lot revenue, etc.).
- Bank Statement(s) or Fiscal Trustee Statement(s) reflecting unexpended bond proceeds balances as of 12/31/11.
- RDA CAFR-Fiscal year ended June 30, 2012. If the CAFR is not available please provide Balance Sheet as of 6/30/12.

Please confirm receipt of this email and provide an estimated time when I can expect to receive these documents. In the meantime, I am continuing to review your DDR and will notify you if other documents are necessary. If you have any questions or concerns please do not hesitate to contact me.

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

3/14/2013





March 14, 2013

Ms. Sarah Schlenk, Agency Administrative Manager  
City of Oakland  
150 Frank H. Ogawa Plaza, Suite 6353  
Oakland, CA 94612

Dear Ms. Schlenk:

Subject: Objection of Oversight Board Action

The City of Oakland Successor Agency (Agency) notified the California Department of Finance (Finance) of its December 3, 2012 oversight board (OB) resolution No. 2012-13 on December 4, 2012. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, the Agency's Amended and Restated OB resolution 2012-13 authorizing the Agency to enter into a Disposition and Development Agreement (DDA) for the sale of property at Foothill Boulevard and Seminary Avenue, and allocating \$150,000 for remediation of the site is not permitted. Finance maintains its initial determination issued in the October 26, 2012 letter objecting to the actions included in Exhibit A, Agency's OB resolution 2012-10.

Furthermore, our review of the Agency's justification for the disposition of property and remediation funding included in Exhibit B to the OB resolution 2012-13 noted the following:

- The Agency claims that the transfer of property located at Foothill Boulevard and Seminary Avenue was made pursuant to a legally enforceable Purchase and Sale Agreement entered into on March 3, 2011 between the former Redevelopment Agency (RDA) and the City of Oakland (City) which was permissible under HSC section 34167 (d) (5) prior to the dissolution. Similarly, the Funding Agreement between the former RDA and the City was entered into on March 25, 2011 for the site remediation. However, HSC section 34171(d) (2) states that an enforceable obligation does not include agreements between the RDA and the City that created the former RDA. Therefore, the transfer of property and the \$150,000 funding for site remediation is not allowed.
- The Agency disagrees with Finance's citing of the HSC section 34191.3 and claims that the section suspended the requirements and not the ability of an Agency to dispose of assets with an oversight board approval. However, the intent of HSC section 34191.3 is to suspend an Agency's ability to dispose of any property, unless it is for governmental use, until Finance has issued a finding of completion and approved a long range property management plan (LRPMP). HSC section 34191.5 (b) further directs the successor agency to prepare a LRPMP that addresses the disposition of all real

#7



DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

March 14, 2013

Ms. Sarah Schlenk, Agency Administrative Manager  
City of Oakland  
150 Frank H. Ogawa Plaza, Suite 6353  
Oakland, CA 94612

Dear Ms. Schlenk:

Subject: Approval of Oversight Board Action

The City of Oakland Successor Agency (Agency) notified the California Department of Finance (Finance) of its January 28, 2013 Oversight Board (OB) resolution on January 29, 2013. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution 2013-2 authorizing the Agency to enter into temporary license agreements for overflow parking and other temporary uses on Agency owned property, is approved. The three vacant lots owned by the Agency will be leased for a short-term period not to exceed one year. The Agency will be submitting the revenues generated from the license agreements to the Alameda County Auditor-Controller to be distributed to the taxing entities.

Pursuant to HSC section 34191.5, within six months after receiving a Finding of Completion from the Finance, the Agency is required to submit for approval to the Oversight Board and Finance a Long-Range Property Management Plan (LRPMP) that addresses the disposition and use of the real properties of the former redevelopment agency (RDA). The Agency should include these three vacant lots in the inventory of all former RDA properties and describe the planned disposition of each vacant lot in its LRPMP.

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

Sincerely,

STEVE SZALAY  
Local Government Consultant

cc: Mr. Fred Blackwell, Assistant City Administrator, City of Oakland  
Ms. Carol S. Orth, Tax Analysis, Division Chief, County of Alameda  
California State Controller's Office

#7