



The dissolution statutes provide no guidance on this issue – the statute could be interpreted either way. We do not know how the Department of Finance will interpret this provision. If each excess bond proceeds obligation must be listed separately on the ROPS, each proposed project would come before this Oversight Board for approval and then proceed for approval by the Department of Finance. If, on the other hand, the City’s proposed Master Bond Expenditure Agreement is approved, the City will be free to choose the projects upon which the \$57.7 million will be spend with no oversight by any other entity, except for the requirement that the projects be consistent with the bond covenants. Apparently, there is no real audit or other systematic mechanism in place to assure in general that bond covenants are followed; requiring that these obligations be listed on the ROPS (each of which must be approved by the Oversight Board) may have been the legislature’s effort to provide some oversight.

- II. Proposed West Oakland Loan Repayment. No additional comments.