

Thank you for help, Sarah. I will look forward to receipt of this information. Please don't hesitate to contact me if you feel that direct conversation would be helpful in lieu of documentation for a particular item.

Regards,

Kelly Wyatt

Financial and Program Evaluator II

Department of Finance

Office of State Audits and Evaluations

T: (916) 322-2985, ext. 3521

F: (916) 322-2618

5/18/2012

**Schlenk, Sarah**

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**From:** Schlenk, Sarah  
**Sent:** Tuesday, April 03, 2012 8:56 AM  
**To:** 'Wyatt, Kelly'  
**Cc:** Le, Kylie; carol.orth@acgov.org; Gallegos, Larry; Hunter, Gregory; Bondi, James  
**Subject:** RE: Oakland EOPS Review

Hi Kelly,  
Regarding your question below – previously we discussed grants (revenue coming into RDA) was not pertinent and should be removed from the ROPS, which is what we have done. These items are not included on the draft ROPS I emailed you a couple of weeks ago.  
Do you still need clarification re: the date?

We will get you remaining documentation today.  
-Sarah

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Monday, April 02, 2012 4:27 PM  
**To:** Schlenk, Sarah  
**Cc:** Le, Kylie; carol.orth@acgov.org; Gallegos, Larry; Hunter, Gregory; Bondi, James  
**Subject:** Oakland EOPS Review

Sarah,

Please give my thanks to Greg, Larry, and Patrick for their assistance on Thursday afternoon going over additional EOPS questions. I will expect the pending documentation by end of day tomorrow, Tuesday, April 3<sup>rd</sup>.

As an additional question, could you clarify the dates for me for the following:

Broadway/MacArthur/San Pablo, Page 1, Line items 2 and 3: Both of these are Prop 1C grants from HCD to the RDA (#2 is TOD, #3 is Infill). However, although you have provide a contract date for both of these as April, 2011, I note the TOD grant provided (in the amount of \$8,485,000) is dated August 11, 2011. Therefore, it is beyond the allowable date that the RDA can enter into contractual agreements.

Could you please advise if the 1C Infill Grant (#3) was also signed in August, 2011?

Thank you,

*Kelly Wyatt*  
*Analyst*  
*Department of Finance*  
*915 L Street, Sacramento, CA 95814*  
*p: (916) 322-2985, ext. 3521*  
*f: (916) 322-2618*

5/18/2012

**Schlenk, Sarah**


---

**From:** Schlenk, Sarah  
**Sent:** Tuesday, April 03, 2012 4:49 PM  
**To:** 'Wyatt, Kelly'  
**Cc:** Le, Kylie; carol.orth@acgov.org; Bondi, James; Blackwell, Fred; Lane, Patrick; Levin, Jeffrey  
**Subject:** RE: Oakland EOPS Review  
**Attachments:** Broadway-MacArthur 2006 Bonds.pdf; Central District 2005 Bonds.pdf; Responses to State Department of Finance (3).doc; Exhibit M to Uptown Ground Lease - Tax Increment Rebate Schedule.pdf

Hi Kelly,

I'm not sure what you were able to handle via the telephone conference on Thursday and what is still outstanding, but below and attached are responses we've gathered so far.  
 Low Mod is forthcoming.  
 Please let me know what else you are expecting.

Thanks,  
 Sarah

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Thursday, March 29, 2012 1:11 PM  
**To:** Schlenk, Sarah  
**Cc:** Le, Kylie; carol.orth@acgov.org; Bondi, James; Blackwell, Fred  
**Subject:** Oakland EOPS Review

Sarah,

Thank you for replying, I earlier received your "out of office" and followed up with Jim Bondi per your e-mail suggestion in your absence. He indicated he may be able to locate others to assist me in your absence.

You forwarded to me multiple OPAs, DDA, DDLA's, etc. The questions, although varied for each agreement provided, will focus on the stage of the project referenced, whether contracts are currently in existence or if the obligation is for anticipated projects not yet in process. Also, there are some obligations listed for which the documentation provided does not seem to support. Please provide documents and response by end of day, Monday, April 2<sup>nd</sup>. I will plan to complete my review of the Oakland EOPS on Monday.

Broadway/MacArthur/San Pablo:

- 1) MacArthur Transit Village OPA (02/2010), page 2, line item # 24: Section 3.2.2, page 12, references \$10.5 million of funding from the 2006 Tax Allocation Bond. Could you please provide a copy of the bond indenture indicating the required amount of bond proceeds to be used for the specified activity.
  - a. The bonds are only restricted to Redevelopment Activities within the Project Area, see attached pages from the Official Statement. Most of these funds were for the MacArthur Transit Village, but a significant portion went to other projects in the area like streetscapes, public facilities and grants for Neighborhood Project Initiative, Facade and Tenant Improvement Programs. It is the OPA, construction contracts or grant agreements which are obligating these funds.

The Central District Series 2005 bonds have a more specific project description in the

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Official Statement, see attached pages. In particular, the expansion of parking garages is included. These bonds were issued to replace parking lost to development in the Uptown Area as well as infrastructure in this area.

Central District:

- 1) Fox Theater, page 1, item #14: Page 56 indicates that the Agency has the option, not the obligation, for purchase. Has the Agency yet notified the developer of the intent to purchase?
  - a. Responded verbally via conference call Thursday, March 29<sup>th</sup>.
- 2) Sears Auto Center Lease Disposition and Development Agreement, page 6, item #27, \$1,600,000. What is the RDA's assumed obligation herein. I see potential revenue, but no obligation of expenditures. Is there something missing, or am I misunderstanding something in the partial documents received?
  - a. See attached word document.
- 3) Uptown Redevelopment Project, Amended and Restated Lease Disposition and Development Agreement dated 10/24/05, page 2, item #5. I note this is on your recently submitted ROPS, yet your e-mail of March 16<sup>th</sup> indicated that you would be taking this off the ROPS. If it will not be on the ROPS, you do not need to attend to this item further. However, if you plan to put this on the ROPS, please help me to understand the obligation, as I note only a reference to a ground lease and subsequent development by Developer, and no reference of Agency's obligation for expenditures.
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Low/Mod Income Housing Fund:

- 1) MacArthur BART affordable hsg, BRIDGE, page 2, item #38
- 2) Oak to 9<sup>th</sup>, Harbor Partners LLC land acquisition, page 2, item #39. Please advise what stage this is in, and if any contracts have been signed for the acquisition.
- 3) Oak to 9<sup>th</sup>, Hsg Development, no payee, page 3, item #39: Please provide any contracts to support an obligation on the part of the RDA. If this is directly related to (2) above, and there has been no acquisition as of June 27, 2011, then this obligation would not be enforceable.

Oakland Army Base

- 1) EDC/Cost Sharing Agreement, Port of Oakland, page 1, item #12: Please provide copies of contracts underlying the listed obligation.
  - a. This line has been removed from the ROPS.

I am only available today by telephone until 2:00, and do not work on Fridays. Please send me an e-mail if you have questions, and I will reply before end of day today. I look forward to receipt of the requested documents and information.

Regards,

Kelly

---

**From:** Schlenk, Sarah [mailto:SSchlenk@oaklandnet.com]  
**Sent:** Thursday, March 29, 2012 10:27 AM  
**To:** Wyatt, Kelly  
**Cc:** Le, Kylie; carol.orth@acgov.org; Bondi, James; Blackwell, Fred  
**Subject:** RE: Oakland EOPS Review

Hi Kelly,  
 I am out of the office today and tomorrow is a furlough day.  
 Can you send your questions via email and we'll get back to you next week?  
 Thanks,  
 Sarah

5/18/2012

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Thu 3/29/2012 9:45 AM  
**To:** Schlenk, Sarah  
**Cc:** Le, Kylie; carol.orth@acgov.org  
**Subject:** Oakland EOPS Review

Sarah,

I have reviewed all of the documentation provided, and have additional inquiries. I left a message for your yesterday, and would like to arrange to have a conference call with you today. Can we schedule a call for 1:00 this afternoon? Unfortunately, I am in meetings all afternoon after 2:00.

I look forward to hearing back from you, and finalizing the review of the EOPS.

Regards,

*Kelly Wyatt*  
*Analyst*  
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*f: (916) 322-2618*

5/18/2012

**Schlenk, Sarah**


---

**From:** Schlenk, Sarah  
**Sent:** Tuesday, April 03, 2012 4:50 PM  
**To:** 'Wyatt, Kelly'  
**Cc:** 'Le, Kylie'; 'carol.orth@acgov.org'; Bondi, James; Blackwell, Fred; Lane, Patrick; Levin, Jeffrey  
**Subject:** RE: Oakland EOPS Review  
**Attachments:** PSA Sears and Agency for 1911 Telegraph Avenue.pdf  
 One more document for the Sears item.

---

**From:** Schlenk, Sarah  
**Sent:** Tuesday, April 03, 2012 4:49 PM  
**To:** 'Wyatt, Kelly'  
**Cc:** Le, Kylie; carol.orth@acgov.org; Bondi, James; Blackwell, Fred; Lane, Patrick; Levin, Jeffrey  
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Kelly

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**Sent:** Thursday, March 29, 2012 10:27 AM  
**To:** Wyatt, Kelly  
**Cc:** Le, Kylie; carol.orth@acgov.org; Bondi, James; Blackwell, Fred

5/18/2012

**Subject:** RE: Oakland EOPS Review

Hi Kelly,  
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Thanks,  
Sarah

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**Sent:** Thu 3/29/2012 9:45 AM  
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**Cc:** Le, Kylie; carol.orth@acgov.org  
**Subject:** Oakland EOPS Review

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*Kelly Wyatt*  
*Analyst*  
*Department of Finance*  
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*p: (916) 322-2985, ext. 3521*  
*f: (916) 322-2618*

5/18/2012



**Schlenk, Sarah**


---

**From:** Schlenk, Sarah  
**Sent:** Wednesday, April 04, 2012 3:28 PM  
**To:** 'Wyatt, Kelly'  
**Cc:** Byrd, Michele; Levin, Jeffrey; 'Le, Kylie'; Blackwell, Fred; 'carol.orth@acgov.org'  
**Subject:** FW: Response to State on EOPS Review - LowMod  
**Attachments:** 94th and International budget.pdf; Cathedral Gardens budget.pdf

Hello Kelly,  
 Please see Low-Mod responses below and attached documentation.  
 Again, let me know if you find we have missed anything you have requested.  
 Thanks,  
 Sarah

---

**From:** Levin, Jeffrey  
**Sent:** Wednesday, April 04, 2012 2:28 PM  
**To:** Schlenk, Sarah  
**Subject:** Response to State on EOPS Review - LowMod

See attached budgets for 94<sup>th</sup> & International (EOPS for Low/Mod Housing Fund, page 1, item #24 and page 2, item #10) and Cathedral Gardens projects (page 1, item #22 and page 2, items #9 and #33), per verbal request by DOF on March 29 call. In both budgets, the RDA funds are identified by the developer as "City of Oakland".

Answers to questions in the e-mail:

Low/Mod Income Housing Fund:

- 1) MacArthur BART affordable hsg, BRIDGE, page 2, item #38
  - a. Answered on 3/29. Legally binding Development Agreement between RDA and developer requires Agency to provide \$16.4 million in housing funds as a long-term loan to the developer.
- 2) Oak to 9<sup>th</sup>, Harbor Partners LLC land acquisition, page 2, item #39. Please advise what stage this is in, and if any contracts have been signed for the acquisition.
  - a. Answered on 3/29. Legally binding Development Agreement between RDA and developer requires Agency to purchase parcels F and G from the developer, to be used for development of affordable housing. We previously provided Exhibit L to the Development Agreement, which lays out the Affordable Housing Obligations. Agency must purchase site from developer on or before the later of (a) 90 days after site improvement work is completed by developer, or (b) determination of purchase price. Per the agreement, purchase price will be lesser of Fair Market Value or Developer Cost. This has not yet been determined. At the time the agreement was signed, the estimated fair market value was between \$30 and \$40 million, less \$1 million per parcel, as specified in section 3.2 of the agreement. The current value has not yet been determined.
- 3) Oak to 9<sup>th</sup>, Hsg Development, no payee, page 3, item #39: Please provide any contracts to support an obligation on the part of the RDA. If this is directly related to (2) above, and there

5/18/2012

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- a. Answered on 3/29. Legally binding Cooperation Agreement between the RDA and the Oak to Ninth Community Benefits Coalition requires the Agency to ensure the development of 465 units of affordable housing on parcels F and G. We do not understand the statement that the obligation is not enforceable if the land wasn't purchased by June 29, 2011. There's nothing in the agreement that removes the obligation if the land isn't purchased by a specific date.

Jeffrey P. Levin ([jplevin@oaklandnet.com](mailto:jplevin@oaklandnet.com))  
Manager, Housing Policy & Programs  
City of Oakland/Community & Economic Development Agency  
250 Frank Ogawa Plaza, 5th Floor  
Oakland, CA 94612  
510/238-6188 FAX: 510/238-3691  
<http://www.oaklandnet.com/hcd>



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## Schlenk, Sarah

---

**From:** Schlenk, Sarah  
**Sent:** Wednesday, April 04, 2012 3:37 PM  
**To:** 'Wyatt, Kelly'  
**Subject:** RE: Response to State on EOPS Review - LowMod

Yes, anytime before 4:30 would be fine.  
-Sarah

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Wednesday, April 04, 2012 3:35 PM  
**To:** Schlenk, Sarah  
**Subject:** RE: Response to State on EOPS Review - LowMod

Hi Sarah,

Thank you for sending additional info. I want you to know that I am reviewing all of the docs provided as we speak (except for interruptions) and compiling a "hopefully" last set of inquiries. There is a lot to go through, but I will contact you as soon as I have my brain wrapped around it all.

I am putting together an e-mail as I go, but we may need to schedule a final call to clarify. Are you available late tomorrow to speak personally?

---

**From:** Schlenk, Sarah [mailto:sschlenk@oaklandnet.com]  
**Sent:** Wednesday, April 04, 2012 3:28 PM  
**To:** Wyatt, Kelly  
**Cc:** Byrd, Michele; Levin, Jeffrey; Le, Kylie; Blackwell, Fred; carol.orth@acgov.org  
**Subject:** FW: Response to State on EOPS Review - LowMod

Hello Kelly,  
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Again, let me know if you find we have missed anything you have requested.  
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Jeffrey P. Levin ([jplevin@oaklandnet.com](mailto:jplevin@oaklandnet.com))  
 Manager, Housing Policy & Programs  
 City of Oakland/Community & Economic Development Agency  
 250 Frank Ogawa Plaza, 5th Floor  
 Oakland, CA 94612  
 510/238-6188 FAX: 510/238-3691  
<http://www.oaklandnet.com/hcd>



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**Schlenk, Sarah**

---

**From:** Schlenk, Sarah  
**Sent:** Thursday, April 05, 2012 4:55 PM  
**To:** 'Wyatt, Kelly'  
**Cc:** Le, Kylie; carol.orth@acgov.org; Gallegos, Larry; Hunter, Gregory; Lane, Patrick; Levin, Jeffrey; Rossi, Daniel; Millner, Dianne  
**Subject:** RE: Oakland RDA EOPS Review

Hi Kelly,  
Please see green responses below.  
Thanks,  
Sarah

P.S. For questions re: Low-Mod, please include Jeffrey Levin [jlevin@oaklandnet.com](mailto:jlevin@oaklandnet.com).

---

**From:** Wyatt, Kelly [<mailto:Kelly.Wyatt@dof.ca.gov>]  
**Sent:** Wednesday, April 04, 2012 4:34 PM  
**To:** Schlenk, Sarah  
**Cc:** Le, Kylie; carol.orth@acgov.org; Gallegos, Larry; Hunter, Gregory; Bondi, James  
**Subject:** Oakland RDA EOPS Review

Sarah,

Hopefully I will not have to have any further inquiries. I have begun the e-mail building off of your previously response, with my original e-mail in black, your response in red, and my current inquiries in blue. Below the line are "new" questions.

I look forward to speaking with you tomorrow to finish this up. Thank you again for your assistance in understanding these obligations.

Broadway/MacArthur/San Pablo:

- 1) MacArthur Transit Village OPA (02/2010), page 2, line item # 24: Section 3.2.2, page 12, references \$10.5 million of funding from the 2006 Tax Allocation Bond. Could you please provide a copy of the bond indenture indicating the required amount of bond proceeds to be used for the specified activity.

The bonds are only restricted to Redevelopment Activities within the Project Area, see attached pages from the Official Statement. Most of these funds were for the MacArthur Transit Village, but a significant portion went to other projects in the area like streetscapes, public facilities and grants for Neighborhood Project Initiative, Facade and Tenant Improvement Programs. It is the OPA, construction contracts or grant agreements which are obligating these funds. Usually the OPA's are insufficient to determine enforceability as they are vague and lack specificity. In this situation, typically only the construction contracts and Façade or TI grants that were signed by both parties prior to June 27, 2011 would be enforceable. If a bond was issued for a specific purpose, and the covenant addressed that funds HAD to be used for certain specific construction (e.g., streetscape improvements on the 1700 block of Front Street), versus generalities, that could allow exceptions to the above. Lacking that obligation within the bond covenant, however, only signed contracts are enforceable.

The OPA is an enforceable contract between the Redevelopment Agency and the developer and it

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explicitly requires the Agency to provide \$10.5 million in funding from the 2006 bonds (Section 3.2.2 of the OPA) and to provide an additional \$6.3 million from new bonds, the 2010 bonds which were issued after the OPA was executed (Section 3.2.2.1 of the OPA).

The Central District Series 2005 bonds have a more specific project description in the Official Statement, see attached pages. **In particular, the expansion of parking garages is included.** These bonds were issued to replace parking lost to development in the Uptown Area as well as infrastructure in this area.

Review of the Series 2005 bonds shows that the only specific NAMED "project" is the Fox Theater. Therefore, all projects which are not yet entered into with signed contracts by June 27, 2011, would **not** be enforceable obligations based solely upon the bond covenant. This is underscored by section (v) .....the Agency expects to use ..... or for other governmental purposes of the Agency during the.....".

The proposed replacement parking is part of the "Fox Theater Project". All activities described as "The Project" are for three super blocks included for the Fox Theater and Uptown Projects. Parking was eliminated to build the loading area and Fox Courts housing project which are both immediately behind the theater. A major garage and additional parking was eliminated for the Uptown Project. The proposed replacement parking is immediately behind the Fox Theater and on the Uptown block immediately north of the Fox Theater. The Agency has been in an exclusive negotiating agreement for parking development in the Fox Theater Entertainment Complex since July 2010, the site is 1800 San Pablo Ave. The confusion around redevelopment has made it difficult to proceed with this project.

In addition, Section (v) does not eliminate the bond obligations or change their purpose and section 34177(i) of ABX 26 states "Bond proceeds shall be used for the purposes for which bonds were sold unless the purposes can no longer be achieved..." The proposed parking is the use for which the bonds were issued and for which they were allocated by the Agency since July of 2005.

I have reviewed the \$4,945,000 and \$12,325,000 Series 2006 C bond information, and do not see any specific references to projects that would support enforceability. Section (iv) on "Certificate Regarding Use of Proceeds" states "as more particularly described in Part I of Exhibit A....." Is there mention, in Part I of Exhibit A (which I do not have), of addresses or other specific details that would support on-going project work?

Therefore, absent specificity in the bond indentures, the OPA for the MacArthur Transit Village will only support those items for which contracts have been signed prior to June 27, 2011. Any future construction, acquisitions, façade or TI improvements for which no SPECIFIC wording exists would not be enforceable.

- .....
- 1) **MacArthur Transit Village Affordable Housing (housing funds)** – Loan Commitment (L/M Income Housing Fund, page 2, #38).
    - a. I acknowledge the \$800,000 pre-development loan which appears to have been expended, with \$16.4 million earmarked for development.
    - b. Have any contracts been entered into for the development portion of the contract? The letter you provided dated March 3, 2011, to BRIDGE is vague, and I need specifics to be assured of the enforceability.
  - 2) Additional similar: **MacArthur Transit Village (non-housing funds)** is also listed on the Broadway/MacArthur/San Pablo project area (page 1, item 1 for \$4,447,736, and page 2, item 24, for \$5,969,486). You previously advised that site/infrastructure work is underway now, with the housing expected to start construction in September of 2012.
    - a. Should I assume that the agreements that are already signed include construction, or is that a separate contract?

- b. What services are included in the signed agreements that currently exist?

Both 1) and 2) immediately above and 1) at the top are related to each other. The MacArthur Transit Village Project is in process and the developer has purchased additional sites, demolished buildings and begun site work and environmental clean up. The Agency has committed to complete the project in a grant agreement with the state and has committed to provide both the bond and grant funds to the developer in the OPA. The OPA is a specific and binding obligation see sections referenced in the discussion above.

- 3) **Lion's Creek Crossing Phase IV (Low/Mod Income Housing Fund, page 3, item 25)** In your response to me of 3/21 (passing on Jeff Levin's 3/20 e-mail information) you provided me a copy of the grant agreement underlying the obligation. The grant states that the RDA was to provide \$8,216,466, with the county to provide additional funds. I am not able to see the additional \$1.7 million that you have put in the EOPS (a \$10 million obligation was reported). Am I missing something? I am referencing the chart in Exhibit B.

The Coliseum Transit Village project consists of both an Infrastructure Project and a Housing Development (see the TOD Standard Agreement, Exhibit A, Section 3). The TOD grant program provided funding for infrastructure work necessary to support the development of transit-oriented housing with a requirement for inclusion of affordable housing. As a condition of the grant, the Redevelopment Agency has enforceable obligations to the State Department of HCD with respect to both the Infrastructure Project and the Housing Development.

The Budget chart in Exhibit B of the Standard Agreement, which you referenced in your e-mail, is the budget for the Infrastructure Project only (see Exhibit B, Section 1, which states that the sources and uses chart is for the Infrastructure Project). The commitment of \$8.2 million listed in that chart is for the infrastructure Project.

As a condition of the TOD Grant, the **Successor** Agency is also responsible for completion of the Housing Development, consisting of 200 units of affordable housing (see Exhibit A, section 3.B.). 72 of those units have been completed in Lions Creek Crossing IV; the remaining 128 units are to be provided in the CTV/Lions Creek Crossing V development. The \$10 million listed in the Low and Moderate Income Housing section of the EOPS is required to meet this condition of the TOD Grant, and is separate from the **\$8.2 million** that was committed for the Infrastructure Project. Without those funds, the Housing Development will not be completed, which would cause the **Successor** Agency to default on its legally enforceable obligation to provide 200 units of affordable housing as set forth in Exhibit A of the Standard Agreement.

**Schlenk, Sarah**


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**From:** Schlenk, Sarah  
**Sent:** Thursday, April 12, 2012 4:59 PM  
**To:** 'Wyatt, Kelly'  
**Cc:** Carol.Orth@acgov.org; Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Le, Kylie; Scott, Robert; Lane, Patrick; Gallegos, Larry; Levin, Jeffrey; Landreth, Sabrina; Thompson, Norma; Santana, Deanna; Johnson, Scott  
**Subject:** RE: Oakland 1.25.12 EOPS Review  
**Attachments:** Response to DOF re EOPS\_ROPS.DOC; MacArthur Transit Village OPA.pdf; MacArthur OPA Section 13.pdf

Good Afternoon,  
 Please see attached response to your initial review. I'm resending sections from the MacArthur Transit Village OPA for your reference, as well as two additional pages from Section 13.  
 Thanks,  
 Sarah

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Wednesday, April 11, 2012 8:06 AM  
**To:** Schlenk, Sarah  
**Cc:** Carol.Orth@acgov.org; Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Le, Kylie; Scott, Robert  
**Subject:** Oakland 1.25.12 EOPS Review

Ms. Schlenk,

The California Department of Finance reviewed your recently submitted amended and restated Enforceable Obligations Payment Schedule (EOPS) dated January 25, 2012, and documents submitted from email requests. Health and Safety Code section 34171 (d) lists characteristics of enforceable obligations. Based on our review of the EOPS and supporting documents, the following items do not meet the characteristics of an enforceable obligation and should not be reported on your final Recognized Obligation Payment Schedule due April 15, 2012:

- Housing set asides (shown on the attached worksheet) totaling \$1.2 billion. The requirement to set aside 20 percent of the RDA tax increment for low and moderate income housing purposes ended with the passing of the redevelopment dissolution legislation. HSC section 34177 (d) requires that all unencumbered balances in the Low and Moderate Income Housing Fund be remitted to the county auditor controller for distribution to the taxing entities.
- Low and Moderate Income Housing Fund, line items 38 and 39, page 2, totaling \$40 million and line 27, page 3, (no amount provided); Central District, line item 3, page 2, in the amount of \$6.4 million; Broadway/MacArthur/San Pablo, line items 1 through 3, page 1, and line item 24, page 2, totaling \$43.6 million. HSC section 34163 (b) prohibits an RDA from incurring any obligations or making commitments after June 27, 2011. It is our understanding that commitments have not been made for the entire amount of the obligations listed. As we are unable to separate valid obligations from those that were not entered into by June 27, 2011, the entire amounts are deemed unenforceable.
- Contracts awarded after June 27, 2011 (shown on the attached worksheet) totaling \$38 million. HSC section 34163 (b) prohibits a redevelopment agency from entering into a contract with any entity after June 27, 2011. It is our understanding that contracts for these line items were awarded

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after June 27, 2011.

- Contracts with the City (shown on the attached worksheet) in the amount of \$325.1 million. HSC section 34171 (d) (2) states that agreements, contracts, or arrangements between the city that created the redevelopment agency (RDA) and the former RDA are not enforceable unless the loan agreements were entered into within the first two years of the date of the creation of the RDA.
- Pursuant to your e-mails dated March 16 and April 3, 2012, and telephone discussions, multiple projects (shown on the attached worksheet) in the amount of \$83.2 million will not be listed as enforceable obligations on the Recognized Obligations Payment Schedule.

As some payments have already been made for the questioned items noted above, these transactions are not allowable enforceable obligations as defined by HSC section 34163 (b). We ask that you explore options to remedy these questionable transactions and reserve the possibility of offsetting future tax increment allocations by the total payments made for questioned items noted.

If you believe we have reached this conclusion in error, please provide an explanation why you believe the above meet the definition of an enforceable obligation and provide supporting documentation. Please return your explanation and documents by end of day Thursday, April 12, 2012. Finance will issue denial letters for unenforceable obligations within two weeks.

*Kelly Wyatt*

*Analyst*

*Department of Finance*

*915 L Street, Sacramento, CA 95814*

*p: (916) 322-2985, ext. 3521*

*f: (916) 322-2618*

5/18/2012

## Schlenk, Sarah

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**From:** Schlenk, Sarah  
**Sent:** Monday, April 16, 2012 5:24 PM  
**To:** 'Wyatt, Kelly'; carol.orth@acgov.org  
**Cc:** Blackwell, Fred; Rossi, Daniel; Johnson, Scott  
**Subject:** FINAL ROPS #1 and #2 for Oversight Board approval  
**Attachments:** ROPS #1 and #2.xls

Good Evening,

Please see the link below for the first Oakland Oversight Board Meeting scheduled for Thursday, April 19<sup>th</sup>. We anticipate adoption of the ROPS and administrative budgets at the second meeting scheduled for April 23, 2012. I've also attached an Excel file with the ROPS for your convenience.

<http://www2.oaklandnet.com/Government/o/CityAdministration/d/NeighborhoodInvestment/a/OversightBoa>

Thanks,  
Sarah

~~~~~  
*Sarah T. Schlenk, Agency Administrative Manager*  
*City Administrator's Office*  
*510/238-3982 | [sschlenk@oaklandnet.com](mailto:sschlenk@oaklandnet.com)*

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

## Schlenk, Sarah

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**From:** Schlenk, Sarah  
**Sent:** Friday, April 20, 2012 8:35 AM  
**To:** 'Wyatt, Kelly'  
**Cc:** Lane, Patrick; Rossi, Daniel  
**Subject:** MTV #1 - following 4/18 discussion  
**Attachments:** MacArthur TV OPA Complete Doc No Attachments.pdf

Hello Kelly,

Please find attached documents we agreed to provide after our discussion on Wednesday. References to the EOPS and most recent ROPS I forwarded to you on April 16<sup>th</sup> are provided by Patrick below. (Email #1)

Thanks,  
Sarah

1. MacArthur Transit Village
  - a. MacArthur Transit Village OPA.pdf (EOPS Broadway/MacArthur pg 1 #1, 2, 3, pg 2 #16, 24; ROPS BM pg 2 #13-18)

~~~~~  
*Sarah T. Schlenk, Agency Administrative Manager*  
*City Administrator's Office*  
510/238-3982 | [sschlenk@oaklandnet.com](mailto:sschlenk@oaklandnet.com)

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

**Schlenk, Sarah**

**From:** Schlenk, Sarah  
**Sent:** Friday, April 20, 2012 8:45 AM  
**To:** 'Wyatt, Kelly'  
**Cc:** Rossi, Daniel; Lane, Patrick  
**Subject:** MTV #2 - response to 4/18 discussion  
**Attachments:** MacArthur Final executed Infill STD AGMT 213 package.pdf; MTV TOD SA 3.2.11.pdf; MTV HCD Budget 4 20 11.xls; Broadway-MacArthur-San Pablo 2010-T Federal Recovery Zone Bonds.pdf; CDLAC Resolution for Bond Allocatio & Report.pdf; Uptown Final Executed Infill STD AGMT.pdf

Hello Kelly,  
 Please find email #2 with attached documents we agreed to provide after our discussion on Wednesday. Comments and references to the EOPS and most recent ROPS I forwarded to you on April 16<sup>th</sup> are provided by Patrick below.  
 Thanks,  
 Sarah

### 1. MacArthur Transit Village

- a. MacArthur Final executed Infill STD AGMT 213 package.pdf (EOPS Broadway/MacArthur pg 1 #3, ROPS BM pg 2 #14)
- b. MTV TOD SA 3.2.11.pdf (EOPS Broadway/MacArthur pg 1 #2, ROPS BM pg 2 #13)
- c. MTV HCD Budget 4 20 11.xls (EOPS Broadway/MacArthur pg 1 #1, 2, 3, pg 2 #16, 24; ROPS BM pg 2 #13-18)

The MacArthur Transit Village TOD Grant Standard Agreement has a Budget of sources and uses, Exhibit B, has all of the required funding for the project, including the Redevelopment Funds required for the project. The Excel spreadsheet is part of the documentation prepared for the Disbursement Agreement discussed in the Standard Agreement.

- d. Broadway-MacArthur-San Pablo 2010-T Federal Recovery Zone Bonds.pdf (EOPS Broadway/MacArthur pg 2 #24, ROPS BM pg 2 #17)

The bonds were issued for this project "the construction of a parking garage and related infrastructure as part of the MacArthur Transit Village, a mixed-use development adjacent to the MacArthur station of the San Francisco Bay Area Rapid Transit District (BART) system" (page 4 of bond doc).

- e. CDLAC Resolution for Bond Allocation & Report.pdf (EOPS Broadway/MacArthur pg 2 #24, ROPS BM pg 2 #17)

This is a special allocation of Recovery Zone Economic Development Bonds. The allocation was specific to the MacArthur Transit Village Project, see Exhibit A of resolution (page 5).

### 2. Uptown

- a. Uptown Final Executed Infill SDT AGMT.pdf (EOPS Central District pg 1 #12, ROPS CD pg 4 #22)

~~~~~  
 Sarah T. Schlenk, Agency Administrative Manager  
 City Administrator's Office  
 510/238-3982 | [sschlenk@oaklandnet.com](mailto:sschlenk@oaklandnet.com)

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

5/18/2012

## Schlenk, Sarah

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**From:** Wyatt, Kelly [Kelly.Wyatt@dof.ca.gov]  
**Sent:** Tuesday, May 08, 2012 3:57 PM  
**To:** Solitei, Osborn  
**Cc:** Carol.Orth@acgov.org; Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Le, Kylie; Schlenk, Sarah  
**Subject:** Oakland RDA Jan - Dec 2012 ROPS

Mr. Solitei,

Ms. Schlenk has provided you as a contact for me to obtain information regarding the availability of the City of Oakland RDA's current financial condition. As I have not been able to locate your telephone number with the City, could you please contact me at your earliest convenience so we can speak about what will be needed for my review. My office hours are 7:00 am to 5:45 pm.

We are on a strict time limit to respond to the ROPS received today, so I would appreciate it if you could telephone me prior to end of day today, or early tomorrow.

Regards,

*Kelly Wyatt, Analyst  
Department of Finance  
(916) 322-2985, ext. 3521*

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**From:** Schlenk, Sarah [mailto:SSchlenk@oaklandnet.com]  
**Sent:** Thursday, April 26, 2012 8:55 PM  
**To:** Wyatt, Kelly  
**Cc:** Carol.Orth@acgov.org; Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Le, Kylie; Scott, Robert; Solitei, Osborn  
**Subject:** RE: Oakland Jan - Dec ROPS

Hi Kelly,  
The contact for the financials is Osborn Solitei, the City's Controller (copied here) however he has informed me that the month is not yet closed and is therefore not available yet.  
-Sarah

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Wed 4/25/2012 1:29 PM  
**To:** Schlenk, Sarah  
**Cc:** Carol.Orth@acgov.org; Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Le, Kylie; Scott, Robert  
**Subject:** Oakland Jan - Dec ROPS

Sarah,

This will confirm our conversation wherein I requested to be provide with a contact in order to request a fund condition statement as of March 31, 2012. As I indicated, I will also likely need to make further inquiries into the make-up of the RDA's funding sources, and would like to be able to speak with someone from your fiscal

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department that is in a position to answer my questions.

In addition, I would like to reiterate the requirements that we discussed for the ROPS. As well as needing to have the payments indicated on a monthly basis, my supervisor has emphasized the need for the ROPS to be specific as to the funding source. The specific dollar amount from each funding source needs to be indicated, and you should only have more than one funding source if, in fact, funds will be used from both sources (and the specific dollar amounts to be used from each, equaling the total obligation). If there is only one funding source, that needs to be indicated. If there is a back-up funding source, this can be indicated through the use of footnotes. To a reader, it must be apparent how much money is being used from each funding source, and as it is currently presented (i.e., reserve balances; bond proceeds), it appears that both sources are being used, with no indication of how much from each source.

I look forward to receipt of a contact in the near future with whom I can speak regarding the fund balances. Your prompt assistance is appreciated.

Regards,

*Kelly Wyatt, Analyst  
Department of Finance  
(916) 322-2985, ext. 3521*

5/18/2012

**Schlenk, Sarah**

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**From:** Schlenk, Sarah  
**Sent:** Wednesday, May 09, 2012 11:33 AM  
**To:** 'Wyatt, Kelly'  
**Subject:** RE: Question re: the Controller  
How about 3pm?

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Wednesday, May 09, 2012 7:22 AM  
**To:** Schlenk, Sarah  
**Subject:** RE: Question re: the Controller

Thank you, Sarah.

I will need to speak with you early today for a few preliminary questions, what would be a good time for me to telephone you?

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**From:** Schlenk, Sarah [mailto:sschlenk@oaklandnet.com]  
**Sent:** Tuesday, May 08, 2012 8:40 PM  
**To:** Wyatt, Kelly  
**Subject:** RE: Question re: the Controller

Hi Kelly,  
Osborn's number is 510-238-3809.  
-Sarah

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Tue 5/8/2012 5:11 PM  
**To:** Schlenk, Sarah  
**Subject:** Question re: the Controller

Sarah,

As you are likely aware (since I copied you on my request), I just e-mailed your Controller, Osborn Solitei, and asked that he contact me as I have been unable to locate a telephone number. Unfortunately, I have received notice that Mr. Solitei's mailbox is full, and my message to him has failed.

At your earliest opportunity could you please provide me with a telephone number for Mr. Solitei so I am able to contact him directly.

Thank you,

*Kelly Wyatt, Analyst  
Department of Finance  
(916) 322-2985, ext. 3521*

5/18/2012

**Schlenk, Sarah**

---

**From:** Wyatt, Kelly [Kelly.Wyatt@dof.ca.gov]  
**Sent:** Thursday, May 10, 2012 3:28 PM  
**To:** Lane, Patrick  
**Cc:** Bondi, James; Le, Kylie; Schlenk, Sarah  
**Subject:** Oakland Jan - Dec 2012 ROPS Review

Patrick,

Following up on Sarah providing your name as a contact for my questions associated with the Oakland RDA ROPS review, I have just completed a thorough review of the Broadway/MacArthur/San Pablo project area, as well as the MacArthur Transit Village OPA and related obligations. Could you please have the individual that is familiar with this project area contact me at their earliest opportunity so I can have my questions answered as promptly as possible – hopefully while everything is still fresh in my mind. As you are aware, there are strict time limits allowed for the ROPS review.

In that regard, I spoke with Osborn Solitei late yesterday, and he indicated that he would call me back this morning between 9:00 and 9:15 am. This did not occur, and he has not responded to my e-mail or voice message requesting the he contact me as soon as possible. I do not want to be in a position of questioning items because of this failure of communication. If you can, please request that he contact me to prevent any delays in the approval of the ROPS.

Thank you for your assistance, and I look forward to speaking with someone as soon as possible regarding the B/M/SP project area and the MTV obligations. I am available until 4:46 this evening.

Regards,

*Kelly Wyatt, Analyst  
Department of Finance  
(916) 322-2985, ext. 3521*

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**From:** Schlenk, Sarah [mailto:SSchlenk@oaklandnet.com]  
**Sent:** Thursday, May 10, 2012 7:42 AM  
**To:** Wyatt, Kelly  
**Cc:** Lane, Patrick; Bondi, James@oaklandnet.com  
**Subject:** contact while I'm away

Hi Kelly,  
Feel free to contact Patrick Lane for project-related inquiries while I'm away. I understand you spoke with Osborn yesterday - he is still the best contact for the financial questions.  
-Sarah

5/18/2012



**Schlenk, Sarah**

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**From:** Solitei, Osborn  
**Sent:** Monday, May 14, 2012 9:43 AM  
**To:** Wyatt, Kelly  
**Cc:** Schlenk, Sarah  
**Subject:** RE: Oakland RDA ROPS  
**Attachments:** SRA Un-audited Cash Balance\_DOE.pdf

Kelly,

Per your request attached is the City's Successor Agency cash balance for March 31, 2012 and est. projection thru June 30, 2012.

Let me know if you have any other questions

Thank you,

**Osborn Solitei**

**Controller**

City of Oakland | Finance & Management Agency | 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)



New York Times, January 2012 <http://bit.ly/GB3s8f>

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**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Thursday, May 10, 2012 9:53 AM  
**To:** Solitei, Osborn  
**Subject:** Oakland RDA ROPS

Mr. Solitei,

I had expected your telephone call between 9:00 and 9:15, yet have not yet heard from you. Could we please reset this scheduled conversation at your earliest opportunity, as I do have strict deadlines within which I am able to review the Recognized Obligation Payment Schedule submitted by the Successor Agency for Oakland RDA.

I look forward to hearing from you in the very near future.

Regards,

---

*Kelly Wyatt, Analyst*  
*Department of Finance*  
*(916) 322-2985, ext. 3521*

5/18/2012

**Schlenk, Sarah**

---

**From:** Schlenk, Sarah  
**Sent:** Tuesday, May 15, 2012 10:19 AM  
**To:** 'Wyatt, Kelly'  
**Cc:** Sneed, Jonathan; carol.orth@acgov.org; Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Johnson, Scott; Lane, Patrick; Millner, Dianne; Lane, Patrick; Johnson, Scott  
**Subject:** RE: Oakland RDA Jan - Dec 2012 ROPS Review

Good Morning Kelly,

We are in receipt of your e-mail below. For the reasons set forth in Mr. Blackwell's letter to Mr. Hill on May 7 and my e-mail to Ms. Orth and you on May 9, the City's position is that the ROPS approved by the Oakland Oversight Board on April 23 has been deemed approved by DOF, given that DOF did not request further review during the three day statutory period, and therefore further review by DOF is not authorized by statute. In the spirit of cooperation, we are willing to continue talking to DOF on issues you might have, without prejudice to the City's position.

-Sarah

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Thursday, May 10, 2012 4:42 PM  
**To:** Schlenk, Sarah  
**Cc:** Sneed, Jonathan; carol.orth@acgov.org; Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Johnson, Scott; Lane, Patrick  
**Subject:** Oakland RDA Jan - Dec 2012 ROPS Review

Dear Ms. Schlenk:

On May 7, 2012, we received the revised Recognized Obligation Payment Schedule (ROPS) that was approved by your Oversight Board for the City of Oakland Redevelopment Agency for the periods January through June 2012, and July through December 2012. Health and Safety Code section 34179 (h) allows the California Department of Finance (Finance) three business days to request a review of an Oversight Board action.

This email serves as notice that we are requesting a review of one or more Enforceable Obligations contained in your ROPS. Pending the resolution of the questions we have on these Enforceable Obligations, your ROPS shall not be effective.

Since Finance is statutorily obliged to operate within a 10-day review period, we may be contacting you to obtain further clarification and supporting documentation for the Enforceable Obligations in question. We hope to work expeditiously with you to resolve these questions within the specified time frame.

Regards,

---

*Kelly Wyatt, Analyst*  
*Department of Finance*  
*(916) 322-2985, ext. 3521*

5/18/2012

**Schlenk, Sarah**


---

**From:** Schlenk, Sarah  
**Sent:** Wednesday, May 16, 2012 5:18 PM  
**To:** 'Wyatt, Kelly'  
**Cc:** Blackwell, Fred; Le, Kylie; Rossi, Daniel; Hunter, Gregory; Lane, Patrick; Gallegos, Larry; Byrd, Michele; Levin, Jeffrey; Landreth, Sabrina; Johnson, Scott  
**Subject:** RE: Revised Oakland ROPS, Jan - Dec 2012  
**Attachments:** ROPS #1\_Rev Est Pmt\_May 16-12.pdf; ROPS #2\_Rev Est Pmt\_May 16-12.pdf; ROPS #1 and #2\_FINAL\_SOP format\_Est Pmnt.xls

Hello again,  
 Please find attached revisions per your request (PDF and Excel formats).  
 Thanks,  
 Sarah

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Wednesday, May 16, 2012 1:56 PM  
**To:** Schlenk, Sarah  
**Cc:** Blackwell, Fred; Le, Kylie  
**Subject:** Revised Oakland ROPS, Jan - Dec 2012

Sarah,

Confirming our telephone conversation earlier today, I indicated that we were reviewing the ROPS in a timely manner and requested from you that the revised ROPS be provided by end of day today.

This is to confirm the information noted in your e-mail below, as follows:

1. We request that the payment of the obligations are not reflected in more than one ROPS period. The full outstanding obligation will be reflected only once, with it being decreased with each payment. The estimated payment, whether in full or partial, must have been approved on either the current ROPS, or a prior ROPS, in order to be allowed for payment.
2. As noted in #1, if the payment was approved by the Oversight Board in the current period ROPS, or a prior period ROPS, it may be paid without further review from the Oversight Board.
3. The revision we are requesting, that the duplicate and triplicate payments be deleted from the ROPS, does not need approval from the Oversight Board.
4. At this point, there are no other blanket issues noted which need to be addressed.

Thank you again for your prompt response to our request for a revised ROPS.

Regards,

Kelly

---

**From:** Schlenk, Sarah [mailto:SSchlenk@oaklandnet.com]  
**Sent:** Wednesday, May 16, 2012 1:03 PM  
**To:** Wyatt, Kelly  
**Cc:** Blackwell, Fred  
**Subject:** Request to revise Oakland ROPS

Hi Kelly,

5/18/2012

I received your voicemail this morning. Can you please confirm my understanding of each item below?

1. DOF is requesting Oakland to revise its ROPS to not show the full outstanding obligation in multiple ROPS periods (e.g. May-June and July-December).
2. DOF is saying an estimated payment does not need to be shown in a ROPS period in order to make a payment on the obligation during that period. In other words, if we estimate the payment to be in May-June, but do not actually make the payment until August – we just show the accountants/auditors it was estimated in the previous ROPS, but not yet paid and that gives the appropriate authority? (I reviewed 34186 and it didn't seem to address the authority to make payments when the estimate is zero. 34186 appears to only address a true-up of future ROPS to account for actual payments.)
3. This revision does not need approval from the Oakland Oversight Board.
4. There are no other format or blanket issues (unrelated to specific projects) with the Oakland ROPS.

I am working on updating the ROPS per your request, and will provide it to you as soon as possible, but would like confirmation of the above statements.

Thanks,  
Sarah

~~~~~  
*Sarah T. Schlenk, Agency Administrative Manager*  
*City Administrator's Office*  
*510/238-3982 | [sschlenk@oaklandnet.com](mailto:sschlenk@oaklandnet.com)*

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

**Schlenk, Sarah**

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**From:** Schlenk, Sarah  
**Sent:** Thursday, May 17, 2012 8:33 AM  
**To:** 'Wyatt, Kelly'  
**Subject:** RE: Oakland RDA Jan - Dec 2012 ROPS  
**Attachments:** 83680 CMS[1].pdf

Attached is the resolution.  
-Sarah

---

**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Thursday, May 17, 2012 7:45 AM  
**To:** Schlenk, Sarah  
**Subject:** RE: Oakland RDA Jan - Dec 2012 ROPS

Sarah,

I understand that the City elected to take over the housing functions, but I do not know when this was effective. I have looked through my documents and cannot locate the resolution pertaining to this, only to the EOPS/ROPS/Admin Budget. Could you please provide me with the resolution (or let me know the date previously provided to DOF) so I can see when this was effective?

Thank you,

Kelly

---

**From:** Wyatt, Kelly  
**Sent:** Tuesday, May 08, 2012 3:57 PM  
**To:** Solitei, Osborn  
**Cc:** Carol.Orth@acgov.org; Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Le, Kylie; Schlenk, Sarah  
**Subject:** Oakland RDA Jan - Dec 2012 ROPS

Mr. Solitei,

Ms. Schlenk has provided you as a contact for me to obtain information regarding the availability of the City of Oakland RDA's current financial condition. As I have not been able to locate your telephone number with the City, could you please contact me at your earliest convenience so we can speak about what will be needed for my review. My office hours are 7:00 am to 5:45 pm.

We are on a strict time limit to respond to the ROPS received today, so I would appreciate it if you could telephone me prior to end of day today, or early tomorrow.

Regards,

---

*Kelly Wyatt, Analyst  
Department of Finance  
(916) 322-2985, ext. 3521*

5/18/2012

---

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

**Sent:** Thursday, April 26, 2012 8:55 PM

**To:** Wyatt, Kelly

**Cc:** [Carol.Orth@acgov.org](mailto:Carol.Orth@acgov.org); Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Le, Kylie; Scott, Robert; Solitei, Osborn

**Subject:** RE: Oakland Jan - Dec ROPS

Hi Kelly,

The contact for the financials is Osborn Solitei, the City's Controller (copied here) however he has informed me that the month is not yet closed and is therefore not available yet.

-Sarah

---

**From:** Wyatt, Kelly [<mailto:Kelly.Wyatt@dof.ca.gov>]

**Sent:** Wed 4/25/2012 1:29 PM

**To:** Schlenk, Sarah

**Cc:** [Carol.Orth@acgov.org](mailto:Carol.Orth@acgov.org); Hunter, Gregory; Rossi, Daniel; Byrd, Michele; Blackwell, Fred; Le, Kylie; Scott, Robert

**Subject:** Oakland Jan - Dec ROPS

Sarah,

This will confirm our conversation wherein I requested to be provide with a contact in order to request a fund condition statement as of March 31, 2012. As I indicated, I will also likely need to make further inquiries into the make-up of the RDA's funding sources, and would like to be able to speak with someone from your fiscal department that is in a position to answer my questions.

In addition, I would like to reiterate the requirements that we discussed for the ROPS. As well as needing to have the payments indicated on a monthly basis, my supervisor has emphasized the need for the ROPS to be specific as to the funding source. The specific dollar amount from each funding source needs to be indicated, and you should only have more than one funding source if, in fact, funds will be used from both sources (and the specific dollar amounts to be used from each, equaling the total obligation). If there is only one funding source, that needs to be indicated. If there is a back-up funding source, this can be indicated through the use of footnotes. To a reader, it must be apparent how much money is being used from each funding source, and as it is currently presented (i.e., reserve balances; bond proceeds), it appears that both sources are being used, with no indication of how much from each source.

I look forward to receipt of a contact in the near future with whom I can speak regarding the fund balances. Your prompt assistance is appreciated.

Regards,

*Kelly Wyatt, Analyst  
Department of Finance  
(916) 322-2985, ext. 3521*

5/18/2012

**Schlenk, Sarah**

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**From:** Schlenk, Sarah  
**Sent:** Thursday, May 17, 2012 2:34 PM  
**To:** 'Wyatt, Kelly'  
**Subject:** City of Oakland payee on LowMod

Here is the note we included in the cover document regarding this issue:

Note for housing obligations: Pursuant to Health and Safety Code Section 34176, all housing obligations and functions, including obligations to make housing development loans, were transferred to the City of Oakland as housing successor, while the balances in the Agency's Low and Moderate Income Housing Fund, including amounts encumbered for obligations, were transferred to the City of Oakland as successor agency. For these obligations, the payee name includes both the City of Oakland (as housing successor) and the ultimate borrower/contractor, as funds will be transferred by the successor agency to the housing successor to be disbursed in turn to the borrower/contractor.

There is a statutory authorization (34177(g)) for the successor agency to transfer low-mod funds to the City as housing successor to satisfy housing obligations.

Hope this helps!

~~~~~  
*Sarah T. Schlenk, Agency Administrative Manager*  
*City Administrator's Office*  
510/238-3982 | [sschlenk@oaklandnet.com](mailto:sschlenk@oaklandnet.com)

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

5/18/2012

**Schlenk, Sarah**

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**From:** Schlenk, Sarah  
**Sent:** Thursday, May 17, 2012 5:41 PM  
**To:** 'Wyatt, Kelly'  
**Cc:** Blackwell, Fred; 'Le, Kylie'; Rossi, Daniel; Hunter, Gregory; Lane, Patrick; Gallegos, Larry; Byrd, Michele; Levin, Jeffrey; Landreth, Sabrina; Johnson, Scott  
**Subject:** RE: Revised Oakland ROPS FINAL  
**Attachments:** ROPS #1\_FINAL\_May 17-12.pdf; ROPS #2\_FINAL\_May 17-12.pdf; ROPS #1 and #2\_FINAL\_5-17-12.xls

Hi Kelly,

Here is the final version of both ROPS #1 and #2 with the changes discussed on the phone.

1. Removed duplicate estimated payment on line 116 in CD.
2. Removed lines 12 and 13 from CCE (Intra-agency loan repayments)
3. Removed line 89 in LM for Touraine Hotel (Housing Asset)
4. Split the Admin allowance between RPTT and Reserve Balances

I also amended line 18 in COL to reflect the actual close-out balance on the construction contract for 81<sup>st</sup> Ave Library.

We will take both ROPS to the Oversight Board for approval on Monday, May 21<sup>st</sup> (must print agenda and materials tomorrow to satisfy the Brown Act).

Please verify your agreement/approval and provide confirmation that the 3-day statutory review period following Monday's Oversight Board approval is waived.

Thanks again!

-Sarah

P.S. Sorry for the delay (hopefully you got my voicemail).

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**From:** Schlenk, Sarah  
**Sent:** Wednesday, May 16, 2012 5:18 PM  
**To:** 'Wyatt, Kelly'  
**Cc:** Blackwell, Fred; Le, Kylie; Rossi, Daniel; Hunter, Gregory; Lane, Patrick; Gallegos, Larry; Byrd, Michele; Levin, Jeffrey; Landreth, Sabrina; Johnson, Scott  
**Subject:** RE: Revised Oakland ROPS, Jan - Dec 2012

Hello again,

Please find attached revisions per your request (PDF and Excel formats).

Thanks,

Sarah

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**From:** Wyatt, Kelly [mailto:Kelly.Wyatt@dof.ca.gov]  
**Sent:** Wednesday, May 16, 2012 1:56 PM  
**To:** Schlenk, Sarah  
**Cc:** Blackwell, Fred; Le, Kylie  
**Subject:** Revised Oakland ROPS, Jan - Dec 2012

Sarah,

Confirming our telephone conversation earlier today, I indicated that we were reviewing the ROPS in a timely manner and requested from you that the revised ROPS be provided by end of day today.

5/18/2012



This is to confirm the information noted in your e-mail below, as follows:

1. We request that the payment of the obligations are not reflected in more than one ROPS period. The full outstanding obligation will be reflected only once, with it being decreased with each payment. The estimated payment, whether in full or partial, must have been approved on either the current ROPS, or a prior ROPS, in order to be allowed for payment.
2. As noted in #1, if the payment was approved by the Oversight Board in the current period ROPS, or a prior period ROPS, it may be paid without further review from the Oversight Board.
3. The revision we are requesting, that the duplicate and triplicate payments be deleted from the ROPS, does not need approval from the Oversight Board.
4. At this point, there are no other blanket issues noted which need to be addressed.

Thank you again for your prompt response to our request for a revised ROPS.

Regards,

Kelly

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**From:** Schlenk, Sarah [mailto:SSchlenk@oaklandnet.com]  
**Sent:** Wednesday, May 16, 2012 1:03 PM  
**To:** Wyatt, Kelly  
**Cc:** Blackwell, Fred  
**Subject:** Request to revise Oakland ROPS

Hi Kelly,

I received your voicemail this morning. Can you please confirm my understanding of each item below?

1. DOF is requesting Oakland to revise its ROPS to not show the full outstanding obligation in multiple ROPS periods (e.g. May-June and July-December).
2. DOF is saying an estimated payment does not need to be shown in a ROPS period in order to make a payment on the obligation during that period. In other words, if we estimate the payment to be in May-June, but do not actually make the payment until August – we just show the accountants/auditors it was estimated in the previous ROPS, but not yet paid and that gives the appropriate authority? (I reviewed 34186 and it didn't seem to address the authority to make payments when the estimate is zero. 34186 appears to only address a true-up of future ROPS to account for actual payments.)
3. This revision does not need approval from the Oakland Oversight Board.
4. There are no other format or blanket issues (unrelated to specific projects) with the Oakland ROPS.

I am working on updating the ROPS per your request, and will provide it to you as soon as possible, but would like confirmation of the above statements.

Thanks,  
Sarah

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*Sarah T. Schlenk, Agency Administrative Manager  
City Administrator's Office  
510/238-3982 | [sschlenk@oaklandnet.com](mailto:sschlenk@oaklandnet.com)*

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

5/18/2012

**Schlenk, Sarah**

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**From:** Wyatt, Kelly [Kelly.Wyatt@dof.ca.gov]  
**Sent:** Friday, May 18, 2012 10:31 AM  
**To:** Schlenk, Sarah  
**Cc:** Blackwell, Fred; Le, Kylie; Rossi, Daniel; Hunter, Gregory; Lane, Patrick; Gallegos, Larry; Byrd, Michele; Levin, Jeffrey; Landreth, Sabrina; Johnson, Scott  
**Subject:** Revised Oakland ROPS FINAL Submitted 5.17.12

Sarah,

Thank you for your help. I will be sending this forward as having been revised to reflect our discussions.

Kelly Wyatt