DEPARTMENT OF FINANCE

EDMUND G. BROWN JR. • GOVERNOR
915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

December 31, 2013

Ms. Mary Lee Sharer, Finance Manager
City of Rio Vista
1 Main Street
Rio Vista, CA 94571

Dear Ms. Sharer:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Rio Vista Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 13-14B) to the California Department of Finance (Finance) on December 19, 2013 for the period of January through June 2014. Pursuant to HSC section 34177 (m), Finance's final ROPS determination was due at least 15 days prior to the January 2, 2014 Redevelopment Property Tax Trust Fund (RPTTF) distribution, or December 18, 2013. Since the Agency did not submit their ROPS 13-14B until December 19, 2013, Finance was unable to meet that deadline. However, Finance has completed its review of your ROPS 13-14B, and offers the following determination.

Based on our review, we are approving all of the items listed on your ROPS 13-14B at this time. However, per HSC section 34177 (m), the ROPS for this period was due no later than October 4, 2013. As stated above, the Agency submitted their ROPS 13-14B on December 19, 2013. Pursuant to HSC 34177 (m) (2), if a ROPS is not submitted within ten days of the due date, the agency shall incur a 25 percent reduction to the administrative cost allowance for the period. As such, $97,183 of ROPS 13-14B administrative expenses requested is reduced by $24,295 ($97,183 * .25). Therefore, the Agency's administrative allowance for the ROPS 13-14B period should be $72,888 ($97,183 - $24,295).

Pursuant to HSC Section 34186 (a), successor agencies were required to report on the ROPS 13-14B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2013 period. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the below table includes the prior period adjustment resulting from the CAC's audit of the Agency's self-reported prior period adjustment.

The Agency's maximum approved RPTTF distribution for the reporting period is zero as summarized below:

Approved RPTTF Distribution Amount For the period of January through June 2014	
Total RPTTF requested for non-administrative obligations	0
Total RPTTF requested for administrative obligations	97,183
Total RPTTF requested for obligations	**$ 97,183**
Total RPTTF approved for non-administrative obligations	**0**
Total RPTTF requested for administrative obligations	**97,183**
Penalty	
25 percent administrative cost reduction pursuant to HSC 34177 (m) (2)	(24,295)
Total RPTTF for administrative obligations	**72,888**
Total RPTTF approved for obligations	**72,888**
ROPS III prior period adjustment	(72,888)
Total RPTTF approved for distribution	**0**

After applying $72,888 of the $105,774 prior period adjustment that was reported by the CAC, the Agency should have $32,886 remaining. These funds are considered available, and should be used prior to requesting RPTTF on ROPS 14-15A.

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. Beginning with the ROPS 13-14B period, Finance required successor agencies to identify fund balances for various types of funds in its possession. Finance will continue to work with the Agency after the ROPS 13-14B review period to properly identify the Agency's fund balances. If it is determined the Agency possesses fund balances that are available to pay approved obligations, the Agency should request the use of these fund balances prior to requesting RPTTF in ROPS 14-15A.

Please refer to the ROPS 13-14B schedule that was used to calculate the approved RPTTF amount:

http://www.dof.ca.gov/redevelopment/ROPS/ROPS 13-14B Forms by Successor Agency/.

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2014. This determination applies only to items where funding was requested for the six month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination 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 that was available prior to enactment of ABx1 26 and AB 1484. This amount is not and never was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the successor agency in the RPTTF.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c)(2)(B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Wendy Griffe, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 445-1546.

Sincerely,

JUSTYN HOWARD
Assistant Program Budget Manager

cc: Mr. Joe Tanner Jr., Interim City Manager, City of Rio Vista
Ms. Simona Padilla-Scholtens, CPA, Auditor-Controller, Solano County
California State Controller's Office